

LEGISLATIVE COUNSEL
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91ST CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 91-1570

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1971

OCTOBER 6, 1970.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MAHON, from the Committee on Appropriations,
submitted the following

REPORT

together with

SEPARATE AND ADDITIONAL VIEWS

[To accompany H.R. 19590]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1971.

APPROPRIATIONS AND ESTIMATES

Appropriations for the military functions of the Department of Defense, including military assistance related to the conflict in Southeast Asia, are provided for in the accompanying bill for the fiscal year 1971. This bill does not provide for other military assistance, military construction, military family housing, or civil defense, which requirements are considered in connection with other appropriation bills.

The new budget (obligational) authority enacted for the fiscal year 1970, the President's budget estimates, and amounts recommended by the committee for the fiscal year 1971 appear in summary form in the following table:

SUMMARY OF BILL BY MAJOR CATEGORIES

| Functional title | Appropriation, fiscal year 1970 (new budget obligational authority) | Budget estimate, fiscal year 1971 (new budget obligational authority) | Committee bill | Committee bill compared with— | |
|--|---|---|--------------------------------------|--|-----------------------------------|
| | | | | Appropriation, fiscal year 1970 | Budget estimate, fiscal year 1971 |
| Title I—Military personnel | \$23, 007, 914, 493 | \$21, 032, 800, 000 | \$20, 689, 300, 000 | —\$2, 318, 614, 493 | —\$343, 500, 000 |
| Title II—Retired military personnel | 2, 859, 000, 000 | 3, 194, 000, 000 | 3, 194, 000, 000 | + 335, 000, 000 | ----- |
| Title III—Operation and maintenance | 21, 534, 995, 495 | 19, 512, 045, 000 | 19, 213, 630, 000 | —2, 321, 365, 495 | —298, 415, 000 |
| Title IV—Procurement | 17, 858, 373, 462 | 17, 358, 600, 000 | 16, 243, 810, 000 | —1, 614, 563, 462 | —1, 114, 790, 000 |
| Title V—Research, development, test, and evaluation (Transfer authority) | 7, 406, 748, 694 (150, 000, 000) | 7, 345, 600, 000 (150, 000, 000) | 6, 954, 700, 000 (150, 000, 000) | —452, 048, 694 | —390, 900, 000 |
| Title VI—Combat readiness, South Vietnamese Forces (Transfer authority) | ----- | 300, 000, 000 (150, 000, 000) | 358, 500, 000 (150, 000, 000) | + 358, 500, 000 (+ 150, 000, 000) | + 58, 500, 000 |
| Title VII—Special foreign currency program | ----- | 2, 621, 000 | 2, 621, 000 | + 2, 621, 000 | ----- |
| Title VIII—General Provisions (Additional transfer authority, Sec. 836) | (200, 000, 000) | (300, 000, 000) | (300, 000, 000) | (+ 100, 000, 000) | ----- |
| Total, Department of Defense | 172, 667, 032, 144 (350, 000, 000) | 68, 745, 666, 000 (600, 000, 000) | 66, 656, 561, 000 (600, 000, 000) | —6, 010, 471, 144 (+ 250, 000, 000) | —2, 089, 105, 000 |

SUMMARY OF BILL BY MAJOR CATEGORIES—Continued

| Functional title | Appropriation, fiscal year 1970 (new budget obligational authority) | Budget estimate, fiscal year 1971 (new budget obligational authority) | Committee bill | Committee bill compared with— | |
|--|---|---|--------------------------------------|---------------------------------------|-----------------------------------|
| | | | | Appropriation, fiscal year 1970 | Budget estimate, fiscal year 1971 |
| Distribution by organizational component: | | | | | |
| Army----- | \$23, 267, 941, 402 | \$20, 210, 665, 000 | \$19, 592, 411, 000 | —\$3, 675, 530, 402 | —\$618, 254, 000 |
| Navy----- | 21, 681, 703, 671 | 21, 200, 700, 000 | 20, 530, 303, 000 | —1, 151, 400, 671 | —670, 397, 000 |
| Air Force----- | 23, 065, 431, 678 | 22, 055, 600, 000 | 21, 280, 386, 000 | —1, 785, 045, 678 | —775, 214, 000 |
| Defense agencies/OSD----- | 1, 792, 955, 393 | 2, 084, 701, 000 | 2, 059, 461, 000 | +266, 505, 607 | —25, 240, 000 |
| Retired military personnel----- | 2, 859, 000, 000 | 3, 194, 000, 000 | 3, 194, 000, 000 | +335, 000, 000 | ----- |
| Total, Department of Defense----- (Transfer authority)--- | ¹ 72, 667, 032, 144 (350, 000, 000) | 68, 745, 666, 000 (600, 000, 000) | 66, 656, 561, 000 (600, 000, 000) | —6, 010, 471, 144 (+250, 000, 000) | —2, 089, 105, 000 ----- |

¹Includes \$760,264,144 allocated from the lump-sum indefinite appropriation in title III, Second Supplemental Appropriation Act, 1970, for the general 6 percent retroactive pay increase.

SCOPE OF THE BILL

The Committee considered budget estimates totaling \$68,745,666,000 as presented in the President's Budget for fiscal year 1971.

The accompanying bill recommends appropriations in the total amount of \$66,656,561,000, a decrease of \$2,089,105,000 below the estimates and \$6,010,471,144 below the appropriations enacted for fiscal year 1970.

Congressional action on the authorization bill mandated reductions from budgeted amounts totaling \$776,000,000.

The net reductions recommended are three percent of the estimates. Ninety-seven percent of the sum requested is recommended for appropriation.

The sums recommended, when added to the balances remaining available on June 30, 1970, will make a total of \$74,000,000,000 available for obligation and a total of \$105,000,000,000, including obligated and unobligated funds, available for expenditure in fiscal year 1971.

The specific transfer authority granted the Secretary of Defense is recommended to be increased from \$350,000,000 to \$600,000,000.

The sums recommended for appropriation are considered to be sufficient to maintain adequate military strength in Fiscal Year 1971 and will provide a basis for carrying that strength forward into subsequent fiscal years. The reductions recommended can be accommodated without denying programs essential to the basic military strength of the country. Many of the actions recommended are intended to provide an increase in military strength through the elimination of practices which tend to dissipate real military strength.

A brief summary of the major areas in which changes from the budget are recommended follows:

SELECTED MAJOR AREAS OF COMMITTEE ACTION

| | |
|---|------------------|
| (1) Procurement funds which failed authorization..... | -\$532, 600, 000 |
| (2) Research, development test, and evaluation projects not approved in authorization action..... | -244, 000, 000 |
| (3) Deferral of production of items on which development and testing is not sufficiently completed..... | -500, 000, 000 |
| (4) Funding of naval ships not included in the Budget..... | +417, 500, 000 |
| (5) Shortfalls in military personnel resulting from decision of Department not to maintain strength levels proposed in the Budget | -203, 450, 000 |
| (6) Reduction in numbers of personnel in departmental headquarters | -59, 500, 000 |
| (7) Civilian personnel reductions..... | -48, 130, 000 |
| (8) Reduction in automatic data processing..... | -43, 300, 000 |
| (9) Increase for Vietnamization program..... | +58, 500, 000 |
| (10) Reduction in permanent change of station travel for the purpose of providing more stability in military assignments... | -95, 200, 000 |

[The details of these and other reductions are described hereafter in this report.]

BASIS OF CONSIDERATION

The Committee on Appropriations is dedicated to maintaining the military superiority of the United States. Over the years the Congress has provided the money to accomplish this and the funds recommended in the accompanying bill are deemed sufficient for fiscal year 1971.

But the competition with the Soviet Union is becoming keener everyday and there is no room for American bungling in the field of defense. In order to maintain our capability over the long-pull, a better job of managing defense dollars must be done. This fact has been a dominant consideration in the drafting of the bill which accompanies this report.

The American people know that the generous outpouring of defense dollars will not in itself get the job done. It does take money to do the job, but it takes money wisely spent and based upon down to earth planning.

The Soviet Union continues to increase its inventory of land-based intercontinental ballistic missiles and sea-based submarine launched ballistic missiles. Soviet naval forces are being augmented steadily and modernized both in surface ships and in submarines.

Although the direct involvement of the United States in the war in Vietnam is decreasing from the peak when 543,000 American military personnel were in the area, we still will have according to the latest estimates, not more than 284,000 personnel in Vietnam in the spring of 1971, a reduction of 259,000 or more, about one-half. Spending for the war in Southeast Asia is expected to decline from a high of almost \$30 billion to a rate of \$14.5 billion by the end of fiscal year 1971.

The Strategic Arms Limitations Talks have not as yet become a significant factor in permitting a major reduction in defense spending.

This is not a time in which we can afford a "Business as usual" relaxed approach to the management of defense programs. The best performance of our best civilian and military personnel is required for our long range security.

The country has every right to expect that the appropriation of more than \$66,000,000,000 will provide formidable military forces throughout fiscal year 1971. Military personnel strength at the end of the fiscal year is estimated to be 2.9 million. The Navy will have 757 commissioned ships in the active fleet including 41 Polaris and Poseidon submarines carrying 656 ballistic missiles and the Air Force will have 1,054 ICBMs on launchers and an active inventory of 13,352 aircraft. These forces, which are described in more detail under "Major Military Programs" later in the report should be adequate to meet the contingencies which may arise.

The effectiveness of the Department of Defense cannot be measured solely in terms of the dollar level of expenditures. Unlimited resources do not overcome inefficiency and mismanagement. Instead, excessive funding produces more inefficiency and mismanagement. What this country needs is more defense for the dollar, not necessarily more dollars for defense.

MIDDLE EAST

The tense situation in the Middle East is of grave concern to the committee. The deepening involvement of the Soviet Union and the danger to world peace resulting from such involvement cannot be ignored by the United States.

In recognition of this situation, the Congress approved section 501 of H.R. 17123, the defense authorization bill.

Funds for this purpose are handled through the military assistance program.

STRATEGIC FORCES

Unless there is substantial progress in the current Strategic Arms Limitation Talks or some other arms limitation agreement, we may be required to begin another large step forward to buttress our strategic military strength. More Polaris type submarines and more Minuteman missiles on launchers may be required.

While statements presented to the Committee expressed alarm over the growing Soviet strategic power in submarine and land-based intercontinental missiles on launchers, neither the budget nor the authorization bill proposed any funds for additional strategic missiles on launchers at this time. Our country has not yet crossed this bridge, but if there is no arms limitation agreement and the Soviet buildup continues, we must increase our strategic forces or be strategically outgunned.

DEFENSE DEPARTMENT MANAGEMENT

One of the major objectives of many of the reductions which have been recommended by the Committee in the accompanying bill is to tighten up the operations of the Department of Defense and make the Department more efficient for the critical times ahead.

What is said in the report by way of criticism of the Defense Department should not be construed as special criticism of the present holders of defense positions. Our concern relates to problems and procedures of long standing which have been recognized by high Defense officials.

Too often in the past, funds have been appropriated for weapons and other objectives when Defense officials said they needed the money, only to find, during the hearings in the following years, that they did not use the money for the purposes for which it had been appropriated. This practice has tended to downgrade the appropriation process. For example, over the last nine years, Congress has appropriated over \$1,600,000,000 for 71 new ships and ship conversions which have been canceled by the Navy and most of the funds have been diverted to other shipbuilding programs.

Too often, budget estimates have been made without firm foundations.

This is evidenced by the high level of reprogramming of defense funds which has taken place. For the past fiscal year, 1970, individual reprogramming actions for all purposes received by the Committee involved 299 increases totaling \$2,431,763,000 and 422 reductions totaling \$2,313,427,000, for a total dollar change of more than \$4.7 billion.

Some of these changes were minor. Some merely involved technical budgetary adjustments. But some involved major programs and major national defense decisions. All represent changes to Defense Budget programs presented to Congress and enacted by the Congress. Major programs changed include the SAFEGUARD ABM, the F-14 and F-111 aircraft, the DD 963 destroyer program and other ships and claims for cost overruns in prior year shipbuilding programs, restoration of the USS Guitarro (SSN-665), and Minuteman missiles. In addition, a number of "below the threshold" reprogramming which, under present procedures, do not come before the Committee, have been approved.

The Committee does not propose to eliminate the reprogramming process. It fully realizes that some degree of flexibility is necessary.

But, the Committee does believe that a better job should be done in defense planning and that better planning would be reflected in fewer reprogrammings. The volume of reprogrammings is a strong indication that much defense planning is superficial and without firm foundation.

DELAY IN REPORTING BILL

The Committee regrets that the Defense Appropriation Bill is being presented at a late date again this year.

The Defense bill was scheduled to be reported from the Committee on Appropriations on June 3, 1970. The Committee completed the hearings on May 13th, exactly on the schedule laid down early in the year, and would have been able to meet the reporting schedule. However, most procurement and all research, development, test, and evaluation appropriations have, in recent years, required annual authorization. The annual authorization legislation conference report did not clear Congress until October 1. The House passed the authorizing legislation on May 6, the Senate on September 1. The conferees met first on September 22.

After authorization levels are established on a bill of the magnitude, importance, and complexity of the Defense Appropriation bill, it is desirable that the Appropriations Committee have a reasonable time in which to review the hearings, reach decisions on the many items involved in the bill, write an adequate report, and present the bill to the House of Representatives.

The lateness of the passage of the bill complicates efforts to effectively manage the programs of the Department of Defense. Program managers cannot firmly plan their efforts. Congress is to some extent frustrated in efforts to accelerate or reduce programs since spending for much of the fiscal year is accomplished under continuing resolutions and substantial spending takes place prior to final Congressional action. Programs which Congress wishes to delete or modify continue under the Continuing Resolution and savings which should result from Congressional reductions are diminished. Reductions made late in the fiscal year give Departmental managers a very short time to react to and implement Congressional decisions. Congress must make thorough reviews of Defense budgets, but Congress also needs to improve the timeliness of its actions.

CLOSER CONTROL OF CARRYOVER BALANCES

In its action on the Defense Appropriation Bill for Fiscal Year 1970, the Committee recommended the enactment of limitations which would have made appropriations for Procurement and Research, Development, Test, and Evaluation available for obligation for specific periods of time rather than available until expended. This action was recommended as a means of tightening Congressional control of Defense Department appropriations. The action recommended would have reduced the unobligated and unexpended balances in Defense Appropriations.

When funds remain available until expenditure, financial managers can recoup sums when contracts are cancelled, contingency funds are not utilized, programs slip or are changed in scope, or in other ways. Such funds are held and are applied to other programs as required in subsequent years. A report on this subject was submitted to the Committee on September 24th which "found" un-

expended funds from fiscal years 1961, 1962, 1963, 1964, 1965, and 1966, primarily from the construction of POLARIS submarines, as a source of funding. The availability of these funds makes defense planners, to a limited extent, immune from tight Congressional fiscal control.

The Committees involved with defense funding apply a degree of control through the reprogramming process. Changing the present "no-year" appropriations to multiyear appropriations would provide an additional measure of control to the whole Congress.

The House concurred in the Committee's recommendation last year and the provisions referred to were included in the bill passed by the House.

The Senate Committee concurred in the objectives of the House but, after appeals made by the Defense Department, substituted an alternative proposition which continued "no-year" appropriations but required that future budget submissions identify all old balances and recommend them for rescission. The House agreed to the Senate proposition in conference.

The alternate procedure has proven to be difficult and confusing in operation. The fiscal year 1971 budget reported certain amounts for rescission, but contrary to the understanding given the House conferees, included like and offsetting amounts in the budget over and above the program amounts required. This made the proposed rescission action ineffective in reducing balances in that a rescission or reduction in new obligational authority is required in order to reach the budget authority or "President's Budget" amount.

Thus, as presented in the 1971 Budget, the rescissions recommended did not reduce balances since they were offset by appropriation requests in excess of program requirements. The sums appropriated above program requirements then become part of the unobligated balance. This is a fiscal game in which the Committee will not participate.

Further, the amounts estimated for rescission appear to be based on very optimistic obligation rates. Probably, considerably larger amounts should have been reported for rescission.

In order to reduce balances as was anticipated in the enactment of the alternate legislation last year, in the accompanying bill the committee has in each instance made an additional reduction in the same amount as the sum reported for rescission. This second reduction is a valid reduction in the new budget authority requested. The authorizing legislation included similar action.

Additional confusion was created by the way in which the estimates were presented to the authorizing committees. The submission of the Defense Department made it appear that a single reduction from the appropriation estimates would be a reduction in the budget request and erroneously ignored the rescission requirement entirely.

The Committee feels that the language proposed in the accompanying bill is more straightforward and clear and will effectively reduce unobligated balances. The language is the same, except that the dates are changed to reflect the passage of a year, as the language adopted by the House last year.

Appropriations for most major procurements will be available for only three fiscal years, shipbuilding appropriations will be available for only five fiscal years, and research, development, test, and evaluation appropriations will be available for only two fiscal years. The

spend-out periods and in its internal operations requires that the military departments obtain the approval of the Secretary of Defense for the reutilization of any balance available beyond these time periods.

SAFEGUARD

The Committee fully supports the SAFEGUARD system as authorized by Congress and recommends an appropriation of \$1,079,900,000, a reduction of \$13,100,000, for SAFEGUARD including the full amount authorized applicable to the Defense Appropriation Bill. The funds appropriated in this bill will provide for the continuation of the Phase I sites at Malmstrom and Grand Forks, as well as full deployment at Whiteman and advanced preparation at Warren Air Force Base.

The bill does not provide funds for the four SAFEGUARD sites related to deployment of an area defense against a Chinese Communist ICBM attack which failed Congressional authorization.

The \$1,079,900,000 included in the bill for SAFEGUARD, is distributed by appropriation as follows: \$365,000,000 for RDT&E, \$651,000,000 for Procurement, \$49,900,000 for Operation and Maintenance, and \$14,000,000 for Military Personnel. The budget request for Operation and Maintenance was \$53,000,000 which the Committee reduced to \$49,900,000, a reduction of \$3,100,000. The basis for this reduction is discussed on page 39. The total appropriated in this bill does not include \$357,000,000 for Military Construction or \$8,800,000 for Family Housing for SAFEGUARD which are carried in the Military Construction Appropriation bill passed by the House.

APPROVED SAFEGUARD PROGRAM FISCAL YEAR 1971

[In millions of dollars]

| | Phase 2 | | | | | Total |
|---------------------------|---------|---------------------------|---------------|-------------|--------|---------|
| | Phase 1 | Added Sprints GF and Malm | Whiteman Site | Warren Site | Other | |
| R.D.T. & E. | \$365.0 | | | | | \$365.0 |
| Procurement | 458.0 | | \$178.0 | \$15.0 | | 651.0 |
| Operation and maintenance | 38.9 | | | | \$11.0 | 49.9 |
| Military personnel | 12.0 | | | | 2.0 | 14.0 |
| Total | 873.9 | | 178.0 | 15.0 | 13.0 | 1,079.9 |

¹ In addition \$357,000,000 for military construction and \$8,000,000 for family housing are contained in the House passed military construction appropriation bill.

REQUIREMENT FOR ADDITIONAL BUDGET INFORMATION

Under present procedures, the Committee must spend a great deal of time in the hearings requesting information that is readily available in the Department of Defense. Many of the requests are repetitive in that similar information must be obtained separately as it relates to many individual programs and projects. The Department could furnish much of such information in the formal justifications, in the statements of various witnesses, or in additional supporting material so that it would be available without the Committee's having to spend valuable hearing time requesting that such information be submitted.

In order that the hearing record in the future may be as complete as reasonably possible, it is requested that the justification material be

classified material as possible may be placed in the public record. The Committee has no desire to publish material which should remain classified but feels that more of the supporting material could be properly placed in the record without specific timetaking interrogation by the Committee.

For Military Personnel the Committee requests that the budget submission include an explanatory table setting forth the major increases and decreases for the budget year as compared with the current year. Cost data appearing in the budget submission should be on a three year rather than a two year basis in order to permit a comparison of budget year and current year estimates with actual year costs.

Supporting material should be provided as back-up data for the budget submission for such items as the distribution of forces by geographical area; combat versus non-combat forces; individuals assigned to activities outside the service; and individuals assigned to such activities as communications, intelligence, ADP, headquarters and other areas of special interest to the Committee.

The witness statements for Military Personnel should present a detailed discussion of how the requirements were developed, where the resources will be used, and why they will be required.

For operation and maintenance, information should be provided showing the total estimated cost of such operations or programs as automatic data processing; communications; intelligence; headquarters operations and administration; service support contracts; and the status of the repair and overhaul of aircraft, engines, ships, etc. Details on civilian personnel should include the number of new employees, the operations involved and the types of positions for which funds are being requested. Other information on civilian personnel should include the estimated beginning and ending man-year strengths and the number of full time permanent employees. Details on other personnel compensation should also be included. New programs and operations should be specifically identified. All special study programs should also be identified, specifying the cost and nature of the study and the accomplishments to date for those of a continuing nature.

For Procurement, the Committee requests that the military departments submit supporting documents similar to the Congressional Authorization Data Sheets now available. This supporting data should include, where appropriate, the mission and characteristics of the item or weapon system, a photograph of the item or weapon system, authorized inventory objectives versus numbers on hand, cost data, including original program cost compared with current program cost, procurement unit costs, program unit costs, cost increases subsequent to the last hearings, and so forth. The Committee will also require the dates each contractor and various military tests are to begin and end, and the status of the testing program, including the number of flight tests or test firings, where appropriate, the number of successes and failures, and any deficiencies identified, as well as an estimate of the cost to correct such deficiencies. Information should be provided on the number of such items stored in mobilization reserve stocks.

In the Research, Development, Test, and Evaluation appropriations, information should be made available as to cost and schedule changes, test results, status of test programs, development or testing failures, delays or difficulties, funds obligated or deferral of obligations on individual programs, development or testing.

cluding the dates and estimated costs of reaching the milestones. Such information would, of course, be in addition to the information presently being furnished. The Committee should also be furnished information on the introduction of new weapons and equipments into the inventories of the Services.

In the areas of research and exploratory development, more specific information should be submitted as to the requirements and results of various areas of effort, the contractors or in-house facilities involved, the numbers of personnel involved, the estimated length of time required to complete various efforts, an identification of new programs initiated and old efforts terminated, and information as to the direct and indirect cost of specific major projects.

The Committee reiterates its belief that the work of the Appropriations Committee is most effectively accomplished through the Controller and Budget Office organizations of the Department of Defense and the Military Services rather than through other channels, including legislative liaison offices. From time to time efforts are made to fragment this responsibility within the Department. Such efforts only serve to complicate and delay the business of the Committee. Any such changes should be initiated by the Committee and not by the Department.

MAJOR MILITARY PROGRAMS

This section of the report describes briefly U.S. military forces in terms of their principal military missions rather than the budget categories for which appropriations are made.

The table below lists the major military forces programs in the fiscal year 1971 Department of Defense budget request for the titles contained in the bill. The Committee's proposed changes are summarized in a single entry at the bottom of the table.

| DEPARTMENT OF DEFENSE | |
|--|---|
| MAJOR MILITARY PROGRAMS AS APPLICABLE TO TITLES I, II, III, IV, V, VI, AND VII | |
| [In millions of dollars] | |
| Major military program | Fiscal year 1971 budget estimates ¹ |
| Strategic forces..... | \$7,371 |
| General purpose forces..... | 24,139 |
| Intelligence and communications..... | 5,217 |
| Airlift and sealift..... | 1,415 |
| Guard and reserve forces..... | 2,433 |
| Research and development..... | 5,302 |
| Central supply and maintenance..... | 8,206 |
| Training, medical and other general personnel activities..... | 9,025 |
| Retired pay..... | 3,194 |
| Administration and associated activities..... | 1,317 |
| Military assistance funded by Department of Defense..... | 2,424 |
| Total obligational authority..... | 70,042 |
| Deduct: Financing adjustments..... | -1,296 |
| Estimate, new budget (obligational) authority..... | 68,746 |
| Changes recommended by Appropriations Committee..... | -2,089 |
| New appropriations in accompanying bill..... | 66,657 |

¹ President's fiscal year 1971 budget.

Note.—Detail may not add to total due to rounding.

The next table shows the fiscal year 1971 budget request by both major military program and budget title, with the total Committee changes shown at the bottom of the table. These changes are discussed elsewhere in the report.

DEPARTMENT OF DEFENSE—DISTRIBUTION OF PRESIDENT'S FISCAL YEAR 1971 BUDGET ESTIMATES FOR TITLES I, II, III, IV, V, VI, AND VII BY MAJOR MILITARY PROGRAM
[In millions of dollars]

| Major military program | Title I military personnel | Title II retired military personnel | Title III operation and maintenance | Title IV procurement | Title V R.D.T. & E. | Title VI—combat readiness, SVN forces and Title VII—special foreign currency program | Total title I, II, III, IV, V, VI, and VII |
|---|----------------------------------|--|--|-------------------------|------------------------|---|--|
| Strategic forces..... | \$1,556 | | \$1,395 | \$3,323 | \$1,097 | | \$7,371 |
| General purpose forces..... | 8,712 | | 4,779 | 9,926 | 722 | | 24,139 |
| Intelligence and communications..... | 1,337 | | 1,528 | 1,832 | 520 | | 5,217 |
| Airlift and sealift..... | 406 | | 229 | 768 | 12 | | 1,415 |
| Guard and reserve forces..... | 1,267 | | 1,011 | 155 | | | 2,433 |
| Research and development..... | 306 | | | | 4,993 | \$3 | 5,302 |
| Central supply and maintenance..... | 314 | | 6,839 | 1,048 | | 5 | 8,206 |
| Training, medical and other general personnel activities..... | 6,387 | | 2,228 | 410 | | | 9,025 |
| Retired pay (funded)..... | | \$3,194 | | | | | 3,194 |
| Administration and associated activities..... | 415 | | 846 | 55 | 1 | | 1,317 |
| Military assistance funded by Department of Defense..... | 332 | | 658 | 1,133 | 1 | 300 | 2,424 |
| Total obligational authority..... | 21,033 | 3,194 | 19,512 | 18,649 | 7,346 | 308 | 70,042 |
| Deduct: Financing adjustments..... | | | | -1,291 | | -5 | -1,296 |
| Appropriations..... | 21,033 | 3,194 | 19,512 | 17,359 | 7,346 | 303 | 68,746 |
| Changes recommended by Appropriations Committee..... | -344 | | -298 | -1,115 | -391 | +58 | -2,089 |
| New appropriations in accompanying bill..... | 20,689 | 3,194 | 19,214 | 16,244 | 6,955 | 361 | 66,657 |

Note.—Detail may not add to totals due to rounding.

The following discussion focuses principally on the more significant programs included in the budget requests. Detailed explanations and justifications of the various programs can be found in the Committee's published hearings.

STRATEGIC FORCES

This major military program comprises both offensive and defensive strategic forces as well as the Civil Defense effort. (Funding for Civil Defense is not included in this bill nor in the preceding tables.) These general nuclear war forces are designed to provide a posture which ensures a sufficiency of strategic power.

The overriding purpose of our strategic posture is political and defensive: to deny other countries the ability to impose their will on the United States and its allies under the weight of strategic military superiority. To have sufficiency of strategic power, we must have a force large and capable enough to be certain that all potential aggressors see unacceptable risk in contemplating a nuclear attack, or nuclear blackmail, or acts that could escalate to strategic nuclear war.

The offensive elements of the strategic forces consist of a mix of manned bombers and missiles (both land-based and sea-based) along with the necessary reconnaissance and command and control systems. We expect that our forces will continue to include these three elements for as far into the future as we are presently planning.

A number of programs to strengthen our strategic offensive forces will be continued in FY 1971. The Budget includes funds for procurement of additional quantities of the new MIRV'ed MINUTEMAN III missiles and conversion of six more fleet ballistic missile submarines to the MIRV'ed POSEIDON configuration. Both of these programs were initiated several years ago. No increase in the total number of ICBM and SLBM launchers is proposed this year. These forces continue to include 1000 MINUTEMAN ICBM's, 54 TITAN II ICBM's, and 656 POLARIS and POSEIDON SLBM's, however, the MIRV programs funded in this budget will provide a substantial increase in the number of available strategic warheads. This increase will help to ensure that our nuclear deterrent forces remain sufficient in the future regardless of what actions our opponents might take.

In order to enhance the capability of our bombs to penetrate air defenses in the future, procurement will be initiated of the Short Range Attack Missile (SRAM), designed for use against terminal defenses, and development will be continued of the Subsonic Cruise Armed Decoy (SCAD), an advanced penetration aid designed to counter area defenses. Funds are also included in the FY 1971 Budget to continue engineering development of the Advanced Manned Strategic Aircraft now known as the B-1. The first of these planes could become available to replace the B-52s in the late 1970s.

Because of uncertainty about the invulnerability of the strategic forces in the future, the strategic forces program includes the initiation of detailed design studies on a new system, the Undersea Long Range Missile System (ULMS). This system could become available in the late 1970s if a decision is made to deploy it, and it would serve to enhance significantly our strategic deterrent.

The strategic defensive forces also contribute substantially to our strategic posture of sufficiency. The SAFEGUARD Anti-Ballistic

Missile (ABM) program supported in the Bill will provide additional protection for the MINUTEMAN missile force. The full SAFEGUARD system is designed to provide protection for the MINUTEMAN forces against Soviet ICBM attacks. Funds are included for both the first phase of this system and the modified Phase 2 increment, which includes deployment of one additional site in the MINUTEMAN fields and added SPRINT interceptors at the two Phase I sites.

With respect to air defense, extensive revisions are being made in the existing system, including changes in the warning and control systems and a phasedown in manned interceptors and surface-to-air missiles. Coverage of the most important threat corridors will still be provided pending the modernization of this system. In connection with this modernization, funds are included in the FY 1971 Budget for the continuation of development of AWACS, a new airborne warning and control aircraft that would operate along with a new over-the-horizon radar and an improved interceptor. Research effort and study of both the radar and interceptor will also be continued in FY 1971.

The cost of the Strategic Forces in fiscal year 1971, for the accounts covered in this bill, is estimated at \$7.4 billion.

GENERAL PURPOSE FORCES

The General Purpose Forces include most of the Army's combat and combat support units, nearly all Navy units, all Marine Corps units, and the tactical units of the Air Force. These forces are designed to perform the entire range of combat operations short of general nuclear war.

Although funding for these forces has been reduced somewhat during the past years, the bill recommended by the Committee will provide for further improvements in the firepower, mobility and readiness of our general purpose forces and for the replacement of supplies and equipment consumed in the Southeast Asia conflict.

As U.S. troops are withdrawn from Southeast Asia in connection with the Vietnamization program, some of the units that were activated specifically for that conflict are being deactivated. The active Army will decline from 19 $\frac{2}{3}$ Division Force Equivalents at end FY 1969 to 17 $\frac{1}{3}$ at end FY 1970, a total reduction of 2 $\frac{1}{3}$ Division Force Equivalents. The active Marine Corps is being reduced from four divisions at end FY 1969 to three by end FY 1970. The force reductions made possible by the Vietnamization program, as well as other reductions in general purpose forces, have brought the costs of these forces in FY 1971 down to \$24.1 billion for the accounts covered in this bill.

Further discussion of the specific forces, equipment procurement programs and financing will be found in subsequent sections of this report.

AIRLIFT AND SEALIFT

Included in this program are: the Military Airlift Command's strategic airlift aircraft; the tactical airlift aircraft assigned to the Tactical Air Command and the Unified Commands; the transport and

troop carrier aircraft in the reserve components; and the troop ships, cargo ships, tankers and "forward floating depot" ships of the Military Sea Transportation Service.

The procurement of the fourth and final squadron of the very large payload C-5A transport aircraft was completed in FY 1970, however, \$544 million is included in the bill to finance prior year unfunded deficiencies and to provide for contingencies in this program.

For the accounts covered in this bill, the cost of the Airlift/Sealift forces in fiscal year 1971 is estimated in the Budget at \$1.4 billion.

GUARD AND RESERVE FORCES

While reductions are being made in the active land forces, the reserve forces will be maintained at the present level—eight Army Divisions and one Marine Corps Division.

Our existing reserve airlift capabilities will be strengthened during the next few years as the C-130A and C-130B aircraft currently in the active forces are transferred to the reserve components, and as additional C-141 associate units are formed.

The cost of the Reserve and Guard Forces in fiscal year 1971 (for the accounts covered by this bill) is estimated at \$2.4 billion.

RESEARCH AND DEVELOPMENT

The research and development program comprises all research and development effort not directly identified with elements of other programs and in 1971 is estimated (for the accounts covered in this bill) at \$5.3 billion. The Committee's recommendations for this program are discussed elsewhere in the report.

OTHER PROGRAMS

This category covers the remaining major defense programs: Intelligence and Communications; Central Supply and Maintenance; Training, Medical and Other General Personnel Activities; Administration and Associated Activities; and Military Assistance funded by the Department of Defense. Included in the Intelligence and Communications are such activities as intelligence operations; communications, weather service, air rescue and recovery, and the National Military Command System. Training, Medical and Other General Personnel Activities includes such functions as recruiting, transportation, housing, retirement pay, etc., of the serviceman and his family, except for those costs which can be directly attributed to another major program. Retired pay, the only item included for which a separate appropriation is made, will cost \$3.2 billion in fiscal year 1971, reflecting the continued rise in the number of military personnel on the retired rolls. Central Supply and Maintenance encompasses the wide variety of centralized supply and logistics activities including the purchasing, storing and inspection of materiel and the major rebuild and overhaul of common stock items. Military Assistance funded by the Department of Defense covers the cost of aid furnished our Free World allies in Vietnam. For fiscal year 1971 the cost of all these other activities covered by the accounts in this bill is estimated in the budget at \$29.4 billion.

FORCES TO BE SUPPORTED BY ORGANIZATION

In this section of the report, the military forces and programs considered by the Committee are discussed by organizational component.

As shown in the following table, the Budget projects a total active duty military personnel strength of 2,908,127 at the end of fiscal year 1971. This represents a reduction in the number of military personnel of about 16% during the two-year period from the end of FY 1969 to the end of FY 1971. The details supporting this reduction appear in the discussion under Title I.

ACTIVE DUTY MILITARY PERSONNEL STRENGTHS

(In thousands)

| | June 30, 1969 actual | Dec. 31, 1969 actual | Fiscal year 1970 estimate | | Fiscal year 1971 estimate | |
|------------------------------------|----------------------------|----------------------------|---------------------------|---------|---------------------------|---------|
| | | | Average | End | Average | End |
| Army: | | | | | | |
| Officers..... | 172.4 | 167.3 | 167.0 | 165.2 | 156.9 | 150.5 |
| Enlisted..... | 1,337.0 | 1,260.5 | 1,272.6 | 1,194.2 | 1,115.9 | 1,085.0 |
| Cadets, USMA..... | 2.5 | 3.8 | 3.7 | 3.9 | 3.9 | 4.1 |
| Total, Army..... | 1,511.9 | 1,431.6 | 1,443.4 | 1,363.2 | 1,276.7 | 1,239.6 |
| Navy: | | | | | | |
| Officers..... | 85.0 | 81.0 | 82.7 | 81.0 | 78.6 | 76.6 |
| Enlisted..... | 686.2 | 636.4 | 648.2 | 608.4 | 585.3 | 562.9 |
| Midshipmen, USNA..... | 4.4 | 4.1 | 4.2 | 4.2 | 4.2 | 4.2 |
| Total, Navy..... | 775.6 | 721.5 | 735.1 | 693.7 | 668.0 | 643.8 |
| Marine Corps: | | | | | | |
| Officers..... | 25.7 | 25.2 | 25.5 | 24.6 | 23.6 | 23.0 |
| Enlisted..... | 284.1 | 276.5 | 279.8 | 269.5 | 241.2 | 218.2 |
| Total, Marine Corps..... | 309.8 | 301.7 | 305.3 | 294.1 | 264.8 | 241.2 |
| Air Force: | | | | | | |
| Officers..... | 135.2 | 133.7 | 133.0 | 130.0 | 129.1 | 127.8 |
| Enlisted..... | 722.9 | 704.9 | 701.0 | 675.5 | 662.6 | 651.3 |
| Cadets, USAFA..... | 3.9 | 3.6 | 3.7 | 4.2 | 4.0 | 4.4 |
| Total, Air Force..... | 862.1 | 842.4 | 837.7 | 809.6 | 795.7 | 783.5 |
| Total, Department of Defense: | | | | | | |
| Officers..... | 418.2 | 407.2 | 408.3 | 400.8 | 388.2 | 377.9 |
| Enlisted..... | 3,030.3 | 2,378.3 | 2,901.7 | 2,747.6 | 2,604.9 | 2,517.5 |
| Academy cadets and midshipmen..... | 10.9 | 11.7 | 11.6 | 12.3 | 12.0 | 12.8 |
| Grand total..... | 3,459.4 | 3,297.2 | 3,321.6 | 3,160.6 | 3,005.2 | 2,908.1 |

Note.—Detail may not add to totals due to rounding.

DEPARTMENT OF THE ARMY

For fiscal year 1970, the fiscal year 1971 Budget proposes active Army forces of 15½ divisions and 5 independent brigades. Although it is not possible to project the detailed force structure of the Army forces for FY 1971 because of the uncertainties surrounding our deployments to Southeast Asia, the reductions between FY 1969 and FY 1970 in the division and brigade forces as well as the supporting forces reflect the first three increments of withdrawals from Southeast Asia (completed in April 1970) and a reevaluation of land forces requirements.

The FY 1971 Budget provides for the procurement of 814 aircraft,

including large quantities of UH-1H IROQUOIS utility helicopters and OH-6/58 light observation helicopters. This total represents a decrease of about 20% from the number of aircraft procured in FY 1970, and a drop of about 40% from the quantity procured in FY 1969. The number of missiles being procured in FY 1971 declines by almost 50%, principally because the final procurement of SHILLELAGH anti-tank missiles was made in FY 1970. The FY 1971 program includes TOW anti-tank missiles, CHAPARRAL and HAWK air defense missiles, and SPARTAN and SPRINT missiles for the SAFE-GUARD ABM system. A wide variety of ground munitions would be procured in order to support the projected levels of combat activity in Southeast Asia. Procurement of communications equipment, combat and support vehicles and weapons will again be reduced in FY 1971. The Committee's recommendations on Army procurement are discussed in Title IV of this report.

One item of special significance is the revision of the Army's main battle tank program. The revised program will make maximum use of components already available from the MBT-70 program, but it has been reoriented toward development of a new tank, now designated the XM/803, that will meet the Army's requirements at a considerably lower unit cost, which will be approximately \$600,000 when procured in the quantity now contemplated.

A summary of major active army forces, as projected in the Budget, follows:

DEPARTMENT OF THE ARMY—SUMMARY OF MAJOR ACTIVE FORCES, FISCAL YEARS 1969-71

| | Actual, June 30, 1969 | Planned ¹ | |
|--|--------------------------|----------------------|------------------------------|
| | | June 30, 1970 | June 30 1971 ² |
| Divisions: | | | |
| Airborne..... | 1 | 1 | ----- |
| Infantry..... | 7 | 4% | ----- |
| Mechanized..... | 4 | 4 | ----- |
| Armored..... | 4 | 4 | ----- |
| Airmobile..... | 2 | 2 | ----- |
| Total..... | 18 | 15% | ----- |
| Independent brigades..... | 5 | 5 | ----- |
| Active-duty military personnel..... | 1,511,946 | 1,363,210 | 1,239,582 |
| Reserve component personnel (paid-drill training)..... | (650,276) | (660,000) | (660,000) |
| Army National Guard..... | 388,954 | 400,000 | 400,000 |
| Army Reserve..... | 261,322 | 260,000 | 260,000 |

¹ Reflects the President's fiscal year 1971 budget.

² Because of uncertainties surrounding deployments in Southeast Asia the detailed force structure of Army units is not available.

DEPARTMENT OF THE NAVY

The proposed budget would support an active fleet of 757 ships at the end of fiscal year 1971, compared with 761 at the end of fiscal year 1970 and 886 at the end of fiscal year 1969, and an active aircraft inventory (Navy and Marine Corps) of 7,759 at the end of fiscal year 1971, somewhat reduced from fiscal year 1970. The forces would include 19 attack and ASW support carriers, 242 ASW and air defense escort ships, and 95 amphibious assault ships at the end of fiscal year 1971, as well as 1,989 Navy and Marine Corps tactical

aircraft and 538 ASW aircraft. A number of new ships will join the fleet during fiscal year 1971, including 8 nuclear attack submarines, 14 escort ships and 14 amphibious assault ships.

The proposed budget provides for construction of three nuclear attack submarines, one nuclear-powered guided missile frigate, six destroyers and two general purpose assault ships. It also includes advanced procurement funds for a fourth nuclear-powered attack carrier, two nuclear attack submarines, two nuclear-powered missile frigates and two more general purpose assault ships. A total of 261 aircraft would be procured, including A-6 all-weather bombers, EA-6B electronic countermeasures aircraft, E-2C early warning aircraft, AV-6B HARRIER aircraft, A-7 and A-4 attack aircraft, and P-3 patrol aircraft. The budget also includes funds for the initial procurement of the Navy's new F-14A multi-purpose fighter and the new carrier-based ASW aircraft, the S-3, as well as for the development of a new fleet air defense missile system called AEGIS. Funds are included for substantial quantities of missiles, ammunition, and other types of supplies, weapons, and equipment.

A summary of major Navy forces follows:

DEPARTMENT OF THE NAVY
SUMMARY OF MAJOR ACTIVE FORCES, FISCAL YEARS 1969-71

| | Actual, June 30, 1969 | Planned 1— | |
|---|--------------------------|---------------|---------------|
| | | June 30, 1970 | June 30, 1971 |
| Commissioned ships in Active Fleet..... | 886 | 761 | 757 |
| Warships..... | 452 | 418 | 426 |
| Other..... | 434 | 343 | 331 |
| Submarine-launched ballistic missile launchers..... | 656 | 656 | 656 |
| Attack and ASW support carriers..... | 22 | 19 | 19 |
| ASW and air defense escort ships..... | 274 | 236 | 242 |
| Amphibious assault ships..... | 150 | 97 | 95 |
| Aircraft inventory (active)..... | 8,513 | 8,128 | 7,759 |
| Tactical aircraft (Navy and Marine Corps)..... | 2,349 | 2,240 | 1,989 |
| ASW aircraft..... | 755 | 527 | 538 |
| Marine divisions..... | 4 | 3 | 3 |
| Active duty military personnel..... | (1,085,415) | (987,810) | (885,025) |
| Navy..... | 775,644 | 693,705 | 643,840 |
| Marine Corps..... | 309,771 | 294,105 | 241,185 |
| Reserve components personnel (paid drill training)..... | (181,788) | (175,813) | (177,000) |
| Naval Reserve..... | 132,710 | 129,000 | 129,000 |
| Marine Corps Reserve..... | 49,078 | 46,813 | 48,000 |

1 Reflects the President's fiscal year 1971 budget.

DEPARTMENT OF THE AIR FORCE

For the end of fiscal year 1971, the Air Force budget provides an active force structure of 84 tactical fighter and attack squadrons organized into 23 combat wings, 14 air defense interceptor squadrons, and 33 strategic bomber squadrons. Also provided for in this budget are 52 strategic and tactical airlift squadrons. The MINUTEMAN missile force will be kept at its current strength of 1,000 launchers but its capability will continue to increase as the new MIRVed MINUTEMAN III replaces the older MINUTEMAN I and as additional improvements are made in the MINUTEMAN II force.

About 800, including over 200 for the support of allies, new aircraft will be delivered during fiscal year 1971, including F-4s, A-7s, A-37s, C-5s, F-111s, and UH-1s. A number of older model aircraft are scheduled to phase out during the year as the newer planes are delivered.

The budget also provides for continuation of development of the F-15, the Air Force's new air superiority fighter, development of the new advanced manned strategic aircraft, the B-1, a new intercontinental bomber which could be available by the late 1970s, and work on the A-X, a new close air support aircraft.

With respect to new procurement, the budget requests funds for 350 aircraft, down somewhat from the number procured in fiscal year 1970. The planes to be procured include A-7s and F-4s, as well as a new international fighter. Funds are also requested to pay for deficiencies on C-5 aircraft purchased through FY 1970, and to provide for possible contingencies. The budget includes funds for the purchase of additional tactical F-111 aircraft. In the area of missile procurement, funds are requested for additional MINUTEMAN III strategic missiles, for the first procurement of the new short-range attack missile (SRAM), and for such tactical missiles as the anti-radar Shrike and the air-to-air Sparrow.

A summary of the major active Air Forces follows:

DEPARTMENT OF THE AIR FORCE
SUMMARY OF MAJOR ACTIVE FORCES, FISCAL YEARS 1969-71

| | Actual, June 30, 1969 | Planned ¹ | |
|---|-----------------------------|----------------------|---------------|
| | | June 30, 1970 | June 30, 1971 |
| USAF tactical fighter and attack squadrons..... | 90 | 86 | 84 |
| USAF Air Defense Interceptor squadrons..... | 19 | 14 | 14 |
| Strategic bomber squadrons ² | 40 | 33 | 33 |
| ICBM launchers..... | 1,054 | 1,054 | 1,054 |
| USAF airlift squadrons..... | 53 | 52 | 52 |
| Aircraft inventory—active..... | 14,406 | 13,338 | 13,352 |
| Active duty military personnel..... | 862,062 | 809,627 | 783,520 |
| Reserve Components personnel (paid drill training)..... | (128,340) | (137,591) | (134,710) |
| Air National Guard..... | 83,414 | 88,646 | 87,110 |
| Air Force Reserve..... | 44,926 | 48,945 | 47,600 |

¹ Reflects the President's fiscal year 1971 budget.

² In fiscal year 1969, includes 4 squadron equivalents of B-52s not organized into units.

DEFENSE AGENCIES

The amounts requested for the various activities funded in the "Defense Agencies" category and the Committee's recommendations are discussed in connection with the specific appropriation accounts covered later in this report.

UNEXPENDED AND UNOBLIGATED BALANCES

The following tables compare the unexpended and unobligated balances for the military functions of the Department of Defense over the past several years, for both the entire Defense Budget and for the accounts covered by this bill. The unobligated balances associated with the accounts in the bill are projected in the budget to decrease between end fiscal year 1969 and end fiscal year 1971, from \$12.0 billion to \$6.2 billion; the unexpended balances during this period are projected to drop from \$20.0 billion to \$25.4 billion.

UNOBLIGATED BALANCES, FISCAL YEARS 1957-71

[In millions of dollars]

| | Total unobligated balance | Pertaining to appropriations in the bill |
|----------------------------|---------------------------|--|
| At the end of fiscal year— | | |
| 1957..... | \$10,869 | \$10,103 |
| 1958..... | 7,904 | 6,690 |
| 1959..... | 7,513 | 6,626 |
| 1960..... | 8,638 | 7,734 |
| 1961..... | 7,167 | 6,483 |
| 1962..... | 7,120 | 6,584 |
| 1963..... | 9,170 | 8,150 |
| 1964..... | 9,961 | 9,008 |
| 1965..... | 11,029 | 10,103 |
| 1966..... | 13,854 | 11,830 |
| 1967..... | 13,725 | 12,244 |
| 1968..... | 13,494 | 11,666 |
| 1969..... | 13,668 | 12,022 |
| 1970 (estimate)..... | 9,092 | 7,575 |
| 1971 (estimate)..... | 7,371 | 6,233 |

¹ These amounts do not reflect the reductions recommended in the accompanying bill.

UNEXPENDED BALANCES, FISCAL YEARS 1957-71

[In millions of dollars]

| | Total unexpended balance | Pertaining to appropriations in the bill ¹ |
|------------------------|--------------------------|---|
| At end of fiscal year— | | |
| 1957..... | \$34,660 | \$31,955 |
| 1958..... | 32,086 | 29,044 |
| 1959..... | 31,635 | 29,139 |
| 1960..... | 30,660 | 28,415 |
| 1961..... | 28,606 | 26,888 |
| 1962..... | 28,697 | 27,161 |
| 1963..... | 30,019 | 28,237 |
| 1964..... | 29,966 | 28,211 |
| 1965..... | 32,943 | 31,148 |
| 1966..... | 41,210 | 38,111 |
| 1967..... | 45,227 | 42,626 |
| 1968..... | 44,016 | 40,902 |
| 1969..... | 41,769 | 38,970 |
| 1970 (estimate)..... | 38,741 | 36,139 |
| 1971 (estimate)..... | 38,344 | 35,383 |

¹ Includes balances of Department of Defense revolving and management funds.² These amounts do not reflect the reductions recommended in the accompanying bill.

As shown above, an estimated total of \$36,139,000,000 of unexpended balances of funds is to be carried into fiscal year 1971 pertaining to the appropriation accounts provided for in the accompanying bill. Of this amount, about \$28,564,000,000 (unliquidated obligations) represents legally binding documents calling for ultimate cash payment such as contracts for ship, aircraft, or missile construction. Such major weapons systems are normally funded even though deliveries may not occur for 2 or 3 years, or 5 years in the case of capital ships.

Approximately \$7,575,000,000 of the carryover (unobligated) balances represent amounts which are made available to fund authorized programs, but which are not yet obligated in the technical legal sense. By and large these funds are committed to the programs for which initially appropriated awaiting the completion of contracting or other legal prerequisite of obligation.

TITLE I MILITARY PERSONNEL

ESTIMATES AND APPROPRIATIONS SUMMARY

The accompanying bill includes appropriations totaling \$20,689,300,000 for fiscal year 1971 for military personnel, a decrease of \$343,500,000 below the budget estimate of \$21,032,800,000. The amounts appropriated for fiscal year 1970 totals \$23,007,914,493 and the amounts recommended herein for fiscal year 1971 represent a decrease below the previous year of \$2,318,614,493.

Appropriations made under this title finance the programs identified briefly below:

Pay and allowances.—Funds are provided for the pay and allowances of active duty officers and enlisted personnel, and cadets at the military academies. Included in these are basic pay; incentive pay; special pay to physicians, dentists, veterinarians, divers, and others; basic allowances for quarters and subsistence; station allowances overseas; uniform and clothing allowances; separation payments; social security contributions; and reenlistment bonuses.

Subsistence of enlisted personnel.—Funds are provided for the feeding of enlisted personnel, including both the basic allowance for subsistence and subsistence in kind.

Permanent change of station travel.—Funding is included to provide for permanent change of station travel for military personnel, either as individuals or as organizational units. Transportation; per diem allowances; travel of dependents; transportation of household goods; port handling charges; dislocation allowances; nontemporary storage of household goods; minor supplies and services incident to organizational movement; expenses of separation travel; and temporary duty directly related to permanent change of station are all included in this item.

Other military personnel costs.—Funds are also provided for other military personnel costs which include apprehension of military deserters, interest on personnel deposits, and death gratuities.

SIZE OF HEADQUARTERS STAFFS

In the Report on the Defense Appropriations Bill for fiscal year 1970, the Committee made the following statement with respect to the number of personnel assigned to headquarters staffs: "... the organization appears to be considerably overstaffed. The sheer weight of numbers of administrators and managers and supporting personnel cannot help but introduce cumbersomeness and impinge upon the decisionmaking process up and down the line." The Committee, therefore, made significant reductions to the fiscal year 1970 funding for headquarters staffs, in terms of military as well as civilian personnel.

However, in reviewing the budget estimates for fiscal year 1971, the Committee was distressed to note that the reductions applied to headquarters staffs by the Services were primarily to civilian personnel. The following table clearly illustrates the trend in the number of military personnel to be assigned to headquarters functions.

MILITARY PERSONNEL AUTHORIZED IN HEADQUARTERS ACTIVITIES

| | Fiscal year 1969 | Fiscal year 1970 | Fiscal year 1971 |
|-----------------------|---------------------|---------------------|---------------------|
| Army: | | | |
| Washington..... | 4,224 | 4,187 | 4,145 |
| Field..... | 7,626 | 7,530 | 7,530 |
| Unified commands..... | 14,744 | 15,030 | 15,058 |
| Total..... | 26,594 | 26,747 | 26,733 |
| Navy: | | | |
| Washington..... | 3,748 | 3,661 | 3,661 |
| Field..... | 1,206 | 1,252 | 1,196 |
| Unified commands..... | 2,472 | 2,827 | 4,324 |
| Total..... | 7,426 | 7,740 | 9,181 |
| Marine Corps: | | | |
| Washington..... | 1,567 | 1,567 | 1,451 |
| Field..... | 3,444 | 3,445 | 2,063 |
| Unified commands..... | 160 | 149 | 149 |
| Total..... | 5,171 | 5,161 | 3,663 |
| Air Force: | | | |
| Washington..... | 4,631 | 4,331 | 4,233 |
| Field..... | 11,515 | 11,122 | 11,665 |
| Unified commands..... | 4,347 | 5,075 | 4,712 |
| Total..... | 20,493 | 20,528 | 20,610 |

As can be seen from the above table, during fiscal year 1970 the following changes in the number of military personnel assigned to headquarters staffs occurred:

| | Washington | Field | Unified Commands | Total |
|-------------------|------------|-------|---------------------|-------|
| Army..... | -37 | -96 | +286 | +153 |
| Navy..... | -87 | +46 | +355 | +314 |
| Marine Corps..... | 0 | +1 | -11 | -10 |
| Air Force..... | -300 | -393 | +728 | +35 |
| Total..... | -424 | -442 | +1,358 | +492 |

From all indications, as the Services were required to reduce their Washington headquarters staffs, they more than made up for the reduction by increasing the size of their unified commands. Furthermore, they plan to continue this same trend in fiscal year 1971. The Committee is of the opinion that as the total strength of the Armed Forces decreases, there should be decreases and not increases in the size of the headquarters staffs.

The Blue Ribbon Defense Panel also supports the opinion that the number of personnel assigned to headquarters staffs is excessive. In their report they state:

All evidence indicates that the size of Headquarters' staffs in the Military Departments are excessive to what is required for efficient performance of assigned functions. Functional

analysis of these staffs reveals an astonishing lack of organizational focus and a highly excessive degree of "coordination," a substantial portion of which entails the writing of memoranda back and forth between lower echelons of parallel organizational elements and which serves no apparent useful or productive purpose.

A similar position was taken by Admiral Rickover in his testimony before the Committee. He stated:

What do you do when you have large numbers of relatively intelligent people who do not know what they are doing. Their only choice is to deal in paper work. There is one solution. Immediately and drastically reduce the amount of money you have for the headquarters' staff.

The above statements add further support to the Committee's long held belief that headquarters are overstaffed to the extent that gross inefficiency exists.

The Committee, in an effort to correct this situation, recommends major reductions to all headquarters staffs of the Department of Defense, both military and civilian, and to other funds for headquarters operations. Furthermore, the Committee intends to monitor closely these activities during fiscal year 1971. It is the intention of the Committee that these reductions actually be made. Merely redesignating various organizations as line functions rather than eliminating them is unacceptable. The Committee expects that these reductions will be accomplished to the greatest extent possible by eliminating organizations or activities of low or marginal productivity.

Although at least some reductions in all headquarters staffs are in order, the Committee directs that across-the-board percentage reductions are not to be made. Some programs could be seriously hampered by such arbitrary directives, whereas reductions imposed on activities of low or marginal importance would have little or no impact on the total defense effort.

INCOME TAX EXEMPTION FOR VIETNAM DUTY

Unfortunately, situations sometimes develop whereby legislation providing benefits for service personnel is sufficiently liberal in provision, so that the intent of the law is subject to circumvention. Such is the case with the law exempting income of service personnel in Vietnam from Federal income tax. During the course of the hearings on the 1971 budget, the Committee questioned representatives of the services regarding abuses of this law that had come to the attention of the Committee. Numerous examples were cited of questionable interpretations of the intent of the law.

The Committee strongly supports the concept that American servicemen risking their lives in Vietnam should be exempt from Federal income tax, but feels that the law should be interpreted in keeping with Congressional intent.

Because of the Committee's efforts in bringing these abuses to light, it can be reported that effective August 5, 1970, the Internal Revenue Service, working with the Department of Defense, revised the tax exclusion regulations and tightened up the administration of the law.

PUBLIC AFFAIRS

In 1968, the Committee was advised that \$9,108,000 was included in the fiscal year 1969 Defense budget for Public Affairs, Public Information, and Public Relations activities. This year, the Committee was advised that the Department's best estimate of actual obligations for fiscal year 1969 was \$44,062,000, an increase of \$34,954,000 over the original estimate.

For fiscal year 1970, the budget estimate included \$34,164,000 for these activities. Based on this estimate, the Committee applied a reduction of \$4,955,000. The Committee was informed this year, however, that the Department estimated it would obligate \$40,447,000 for this activity during fiscal year 1970, or \$11,238,000 more than the amount allowed by the Committee.

For fiscal year 1971, the Department's estimate for these activities is \$37,675,000. Based on the testimony of Department of Defense witnesses, the Committee stated in its report on the Department of Defense Appropriation Bill for 1970, that "... management changes are being initiated and operational improvements should be forthcoming in the very near future." The Committee feels that adequate improvements have not been forthcoming.

The Committee is determined to establish a fixed limitation on the amount of funds the Department of Defense will be allowed to expend for public affairs, public information and public relations. The limitation for such activities is based on a level of \$28,000,000, or approximately seventy-five percent of the budget estimate. However, since approximately one-fourth of the fiscal year is already over, the Committee has taken this into account and provided \$30,590,000. This will, in effect, require the Department of Defense to operate such activities at the \$28,000,000 annual level for the balance of the fiscal year. The limitation is distributed as follows:

[In thousands]

| Agency | Budget request | Limitation | | Total |
|----------------------------------|----------------|--------------------|---------------------------|---------------------|
| | | Military personnel | Operation and maintenance | |
| Department of the Army..... | \$12,312 | \$6,182 | ¹ \$4,262 | \$10,444 |
| Department of the Navy..... | 12,186 | 8,017 | ² 2,468 | ² 10,485 |
| Department of the Air Force..... | 9,650 | 5,677 | ³ 2,513 | 8,190 |
| Defense agencies/OSD..... | 3,527 | 0 | 1,471 | ³ 1,471 |
| Total..... | 37,675 | 19,876 | 10,714 | 30,590 |

¹ Includes \$250,000 for the Army National Guard.

² Includes \$3,148,000 for the Marine Corps; \$2,999,000 in military personnel and \$149,000 in operation and maintenance.

³ Military personnel funds are incorporated in the appropriate limitation of the military departments.

PERMANENT CHANGE OF STATION TRAVEL

The Committee has long been critical of the frequency with which the services move their people from assignment to assignment. It has been a common practice of the Committee for many years to apply reductions to this area. However, even though the reductions have been made, the services have shown only modest improvement in this area.

During this year's hearings many pages of testimony were devoted to the very serious retention problems now being experienced by the services. One of the major factors leading young officers and enlisted

personnel to resign from the service is the frequency with which they are shuffled from assignment to assignment. Yet the rotation policies of the military departments continue unabated.

The Blue Ribbon Defense Panel in their Report to the President and to the Secretary of Defense was highly critical of current rotation policies. The Panel in their report stated :

Officers and enlisted men are rotated among assignments at much too frequent intervals.

It is clear from the evidence that the rotation practices which have been followed result in (a) excessive and wasteful cost, (b) inefficiencies in management, and (c) difficulty in fixing responsibility.

A staff study of Army, Navy and Air Force promotions to General Officer and Flag rank in 1969 revealed this situation: there were 174 officers in the group and their average service was 24 years; these officers had been given 3,695 assignments, or an average of 21 per man; the average duration per assignment was 14 months.

Looked at another way, the average officers had spent: 8 years in Operational assignments, 5 years in Service Schools and other educational assignments, and 11 years in Staff Assignments.

For fiscal year 1971 the budgets of all branches of the service reflect a reduction in Permanent Change of Station Travel below their 1970 budgeted level. However, this reduction results from decreases in troop strength and not from any improvements in rotation policy. These reductions are reflected in the following table.

PERMANENT CHANGE OF STATION TRAVEL

| | Fiscal year 1970 | Fiscal year 1971 | Reduction |
|-------------------|------------------|------------------|---------------|
| Army..... | \$613,441,000 | \$524,691,000 | -\$88,750,000 |
| Navy..... | 264,898,000 | 229,965,000 | -34,933,000 |
| Marine Corps..... | 106,860,000 | 105,125,000 | -1,735,000 |
| Air Force..... | 418,150,000 | 414,760,000 | -3,390,000 |

While the Committee applauds the above reductions it must be re-emphasized that these reductions do not reflect improvements in rotation policy. Therefore, the Committee has applied an additional reduction of 10 percent to each service. However, because of the fact that the fiscal year is now one-fourth over, a 10 percent reduction applied to three-fourths of the year will result in a dollar savings of 7.5 percent. This additional reduction totals \$95,175,000.

The Committee appreciates the problems faced by the Military Departments in connection with the high volume of personnel movement necessitated by our commitments in Southeast Asia. This has been taken into account in determining the appropriate reduction and the Committee's action in no way interferes with the funds required to support our withdrawal plans or any permanent change of station moves that will result from such plans.

The current rotation policies of the Military Departments are unrealistic and must be revised. The Committee expects the Department of Defense to thoroughly review existing policy and procedures and

to initiate the necessary changes. The Department of Defense is directed to report to the Committee the changes in the permanent change of station assignment regulations as developed. The Committee likewise intends to closely scrutinize the budget request for fiscal year 1972 for Permanent Change of Station Travel and will expect to see a budget request that reflects meaningful changes in existing rotation policy.

TEMPORARY PROMOTION OF OFFICERS

During the course of the hearings, the Committee reviewed in-depth the temporary promotion practices of the Armed Services. The Committee has become concerned that, because of the temporary promotion policy of the services, the military services have obviously become overstaffed in the higher officer grades. For example, the Army reported 712 officers in the grade of Major or above who are serving and being paid two grades above their permanent ranks. The Air Force reported 442, the Marine Corps reported 3, and the Navy reported 4 in the rank of Lt. Commander or above. During periods of rapid buildup of the officer corps, such as the buildup for Vietnam, temporary promotions are justified to fill the large number of vacancies in higher grades that result.

However, as has happened in the past, most notably after World War II and Korea, the services, because of these temporary promotion practices, find that as the reduction in force levels occur, the officer corps becomes significantly overstaffed in the higher grades. The Vietnam conflict is now in the process of being scaled back and the total strength levels of the services are being reduced accordingly.

Therefore, the Committee places the services on notice that it expects the officer force for Majors or Lt. Commanders and above to be reduced in line with the total strength reductions. During the hearings on the Department of Defense Appropriations for fiscal year 1972, the Committee expects the Services to present for review plans for bringing the officer grade structure back in line with permanent grade levels. This must be done. The Committee expects the initiative to come from within the services so as to avoid the necessity for the imposition of limitations by appropriations.

TRAINING GENERALS AND COLONELS TO FLY HELICOPTERS

The Committee, during the course of its investigations, discovered that the Army has implemented plans to train generals and colonels to fly helicopters.

A general officer or a colonel is a top executive of the military. His time is valuable and can best be spent in attending to his executive responsibilities. To train a general or a colonel to fly a helicopter requires up to 32 weeks of training time. In addition, for the balance of his career, he must spend a certain amount of time flying each month to maintain his proficiency. Flying helicopters would not appear to be the most efficient use of executive time and talent.

The cost of generals and colonels flying helicopters is also a matter of concern to the Committee. The cost to train a senior officer to fly a helicopter is \$24,210. This would exclude the pay of the individual while in training as well as the pay of the instructors. In addition

to the initial training cost, out-year costs will be incurred to maintain the helicopters required for proficiency flying. Not to be overlooked is the fact that once an officer learns to fly a helicopter he will draw flight pay for the balance of his military career. Flight pay is \$1,980 per year for a general and \$2,940 per year for a colonel. The flight pay benefit alone offers a significant attraction to the program.

During the course of the hearings the committee queried the other services regarding their intentions with respect to training generals and colonels to fly helicopters. The Navy, Marine Corps, and Air Force all emphatically stated that they have no plans to train generals or colonels to fly helicopters. The position of the other services is perhaps best expressed in testimony received during the Marine Corps Military Personnel Hearing.

In a similar vein (to) the Army programs, all we plan is that an officer who is designated as a commanding general of one of our divisions or assistant division commander of one of our divisions would go to Pensacola for 2 weeks of helicopter flight training. Then he would go to a helicopter training group for less than a week. The intent of this program is to provide him with more familiarity with the actual capabilities of the helicopter and to give him a certain proficiency to land that helicopter when he is in the front left seat in an emergency.

The Committee supports the concept of indoctrination type training in the capabilities, limitations and emergency procedures of helicopter operations.

The Committee interposes no objection to a qualified aviator commanding an aviation brigade or an airmobile division. In fact, many qualified aviators are now serving in such positions. However, the Committee does not feel it is necessary that every general or colonel involved in helicopter operations have his wings. Therefore, the Committee recommends deletion of all funds from the bill related to this training as well as the related funds for flight pay. The Committee directs the Army to cease training generals and colonels to fly rotary wing aircraft.

BASIS FOR COMMITTEE ACTION

The Committee recommends reductions totaling \$343,500,000 below the budget request primarily as a result of two separate and distinct type of actions. The first is the identification and elimination from the budget request of surplus funds, and second, reductions applied to specific areas or activities that the Committee has identified as being poorly organized, poorly managed, or overstaffed.

With respect to the elimination of surplus funds, the Committee recommends a reduction of \$168,850,000 because of a shortfall in the projected total strength. Based on Department of Defense manpower reports, all four of the military departments currently have fewer military personnel on-board than were originally projected in the budget request. This shortfall in military personnel strength resulted in the budget being overstated by approximately 35,000 man-years.

The Committee, in recommending this reduction, is not in any way reducing the planned force level for the Armed Services as contained in

the budget request. The reduction of \$168,850,000 or 35,000 man-years is merely an adjustment of the budget estimate to reflect the actual experience of the first three months of the fiscal year. If, during the course of the fiscal year, contingencies should arise requiring additional manpower that could have been supported by these funds, then the Committee will work with the Department to arrange for the necessary funds.

In addition, the Committee recommends reductions in the number of military personnel assigned to such areas as automatic data processing, communication and intelligence. The budget requests of the services reflect little or no decrease in these activities below the fiscal year 1970 level even though there will be significant reductions in total personnel strength. Experts in military organization have long been critical of the extremely high ratio of support troops to combat troops that exists within the U.S. force structure. The budget for fiscal year 1971 would seem to compound that problem. The Committee, therefore recommends reductions to these support activities so that their structure will remain more in line with the total troop structure of the military.

Reductions have also been applied to the number of military personnel assigned to headquarters' staffs both in Washington and in the field. A reduction has also been applied to the amount of funds available for permanent change of station travel. Both of these reductions have been discussed in considerable detail on preceding pages.

The funds available for such activities as public affairs, public relations and public information have also been reduced. An explanation of the Committee's recommendation on this item appears on the preceding pages.

In the case of the Reserve components, modest reductions were made in the budget request for the Army, Navy, and Marine Corps, primarily to reflect what appears to be an overstatement in the funding required to meet the projected drill strength. A reduction was not applied to the Air Force Reserve since the savings will be required to fund planned changes in the force structure such as the retention of the C-130 units. Reductions were not applied to either of the Guard components since the Army Guard will require the requested funds to expand their initial training program and the Air Guard will require the requested funds to provide for the added cost of the Aerospace Defense Alerts.

MILITARY PERSONNEL, ARMY

| | |
|-------------------------|-----------------|
| Appropriation, 1970 | \$8,875,391,000 |
| Estimate, 1971 | 7,923,700,000 |
| Recommended in the bill | 7,822,450,000 |
| Reduction | 101,250,000 |

The Committee recommends an appropriation of \$7,822,450,000 for Military Personnel, Army. This represents a decrease of \$101,250,000 below the budget estimate of \$7,923,700,000. The amount appropriated for fiscal year 1970 for Military Personnel, Army totals \$8,875,391,000 and the amount recommended herein for fiscal year 1971 represents a decrease below the past year of \$1,052,941,000.

The Committee's reductions, as previously discussed are as follows:

| | |
|---|--------------|
| Shortfall in total strength | \$38,200,000 |
| Automatic data processing | 5,000,000 |
| Communications and intelligence | 9,400,000 |
| Public affairs | 1,450,000 |
| Helicopter training for senior officers | 400,000 |
| Headquarters staffs | 7,500,000 |
| Permanent change of station travel | 39,300,000 |

MILITARY PERSONNEL, NAVY

| | |
|-------------------------|-----------------|
| Appropriation, 1970 | \$4,858,531,000 |
| Estimate, 1971 | 4,402,300,000 |
| Recommended in the bill | 4,360,100,000 |
| Reduction | 42,200,000 |

The Committee recommends an appropriation of \$4,360,100,000 for Military Personnel, Navy. This represents a decrease of \$42,200,000 below the budget estimate of \$4,402,300,000. The amount appropriated for fiscal year 1970 for Military Personnel, Navy totals \$4,858,531,000 and the amount recommended herein for fiscal year 1971 represents a decrease below the past year of \$498,431,000.

The Committee's reductions, as previously discussed, are as follows:

| | |
|------------------------------------|-------------|
| Shortfall in total strength | \$7,100,000 |
| Automatic data processing | 1,000,000 |
| Communications and intelligence | 1,000,000 |
| Public affairs | 1,100,000 |
| Headquarters staff | 15,000,000 |
| Permanent change of station travel | 17,000,000 |

MILITARY PERSONNEL, MARINE CORPS

| | |
|-------------------------|-----------------|
| Appropriation, 1970 | \$1,649,952,000 |
| Estimate, 1971 | 1,494,200,000 |
| Recommended in the bill | 1,422,700,000 |
| Reduction | 71,500,000 |

The Committee recommends an appropriation of \$1,422,700,000 for Military Personnel Marine Corps. This represents a decrease of \$71,500,000 below the budget estimate of \$1,494,200,000. The amount appropriated for fiscal year 1970 for Military Personnel, Marine Corps, totals \$1,649,952,000 and the amount recommended herein for fiscal year 1971 represents a decrease below the past year of \$227,252,000.

The Committee's reductions, as previously discussed, are as follows:

| | |
|------------------------------------|--------------|
| Shortfall in total strength | \$60,300,000 |
| Public affairs | 700,000 |
| Communications and intelligence | 1,100,000 |
| Permanent change of station travel | 7,900,000 |
| Headquarters staff | 1,000,000 |
| Automatic data processing | 500,000 |

MILITARY PERSONNEL, AIR FORCE

| | |
|-------------------------|-----------------|
| Appropriation, 1970 | \$6,498,189,000 |
| Estimate, 1971 | 6,096,000,000 |
| Recommended in the bill | 5,973,350,000 |
| Reduction | 122,650,000 |

The Committee recommends an appropriation of \$5,973,350,000 for Military Personnel, Air Force. This represents a decrease of \$122,650,000 below the budget estimate of \$6,096,000,000. The amount appropriated for fiscal year 1970 for Military Personnel, Air Force totals

\$6,498,189,000 and the amount recommended herein for fiscal year 1971 represents a decrease below the past year of \$524,839,000.

The Committee's reductions, as previously discussed, are as follows:

| | |
|---|--------------|
| Shortfall in total strength----- | \$63,250,000 |
| Automatic data processing----- | 3,300,000 |
| Communications and intelligence----- | 16,750,000 |
| Public affairs----- | 1,350,000 |
| Headquarters staff----- | 7,000,000 |
| Permanent change of station travel----- | 31,000,000 |

RESERVE PERSONNEL, ARMY

| | |
|------------------------------|---------------|
| Appropriation, 1970----- | \$338,725,000 |
| Estimate, 1971----- | 336,500,000 |
| Recommended in the bill----- | 334,750,000 |
| Reduction----- | 1,750,000 |

RESERVE PERSONNEL, NAVY

| | |
|------------------------------|---------------|
| Appropriation, 1970----- | \$141,935,000 |
| Estimate, 1971----- | 144,200,000 |
| Recommended in the bill----- | 142,100,000 |
| Reduction----- | 2,100,000 |

RESERVE PERSONNEL, MARINE CORPS

| | |
|------------------------------|--------------|
| Appropriation, 1970----- | \$49,000,000 |
| Estimate, 1971----- | 54,100,000 |
| Recommended in the bill----- | 52,050,000 |
| Reduction----- | 2,050,000 |

RESERVE PERSONNEL, AIR FORCE

| | |
|------------------------------|--------------|
| Appropriation, 1970----- | \$82,092,922 |
| Estimate, 1971----- | 86,200,000 |
| Recommended in the bill----- | 86,200,000 |

NATIONAL GUARD PERSONNEL, ARMY

| | |
|------------------------------|---------------|
| Appropriation, 1970----- | \$403,403,895 |
| Estimate, 1971----- | 387,100,000 |
| Recommended in the bill----- | 387,100,000 |

NATIONAL GUARD PERSONNEL, AIR FORCE

| | |
|------------------------------|---------------|
| Appropriation, 1970----- | \$110,694,676 |
| Estimate, 1971----- | 108,500,000 |
| Recommended in the bill----- | 108,500,000 |

TITLE II
RETIRED MILITARY PERSONNEL
RETIRED PAY, DEFENSE

ESTIMATES AND APPROPRIATIONS SUMMARY

An appropriation totaling \$3,194,000,000 is recommended in the accompanying bill for Retired Pay. This amount is the same as the budget request and an increase of \$335,000,000 over the \$2,859,000,000 appropriated for Retired Pay in fiscal year 1970.

The appropriation made under this title finances (1) pay of retired military personnel on the retired lists of the Army, Navy, Marine Corps and Air Force; (2) the retainer pay for regular enlisted personnel of the Navy and Marine Corps Fleet Reserves; and (3) payments to eligible survivors pursuant to the Retired Servicemen's Family Protection Plan.

The Committee notes that Retired Pay in fiscal year 1971 will exceed \$3 billion for the first time. Retired Pay is a major item of expense in the Department of Defense Budget and for this reason the Committee last year set out Retired Pay as a separate title of the bill. The Committee did not propose any reductions to the budget request since retirees of the Department of Defense and their survivors must be paid as provided for by law. In addition, if any surplus funds should develop in this appropriation they would revert to the Treasury at the end of the fiscal year and can not be diverted to other uses.

The number of personnel eligible for retirement benefits continues to increase each year. The following tabulation shows the average number of personnel on the rolls for fiscal year 1969 and the estimated numbers for 1970 and 1971:

| | 1969 | 1970 | 1971 |
|------------------------------|---------|---------|---------|
| 1. Nondisability..... | 447,740 | 491,731 | 544,714 |
| 2. Temporary disability..... | 17,472 | 21,925 | 28,120 |
| 3. Permanent disability..... | 111,897 | 119,348 | 128,426 |
| 4. Fleet reserve..... | 107,746 | 111,946 | 115,347 |
| 5. Survivors benefits..... | 6,833 | 7,626 | 8,517 |
| Total..... | 691,688 | 752,576 | 825,124 |

Because of the fact that the number of personnel receiving Retired Pay is increasing each year, the Committee asked the Department of Defense to project the requirements for Retired Pay through the year 2000. The projections are as follows:

PROJECTED NUMBER OF MILITARY PERSONNEL RECEIVING RETIRED OR RETAINER PAY, AND ANNUAL DISBURSEMENTS WITH NO ASSUMED PAY, OR CONSUMER PRICE INDEX INCREASES, DEPARTMENT OF DEFENSE

(Number of persons in thousands; dollar amount in millions)

| Fiscal year | Constant Active Force ¹ | |
|-------------|------------------------------------|---------------------------|
| | Number receiving retired pay | No pay or price increases |
| 1975 | 1,065 | \$4,123 |
| 1980 | 1,255 | 5,167 |
| 1985 | 1,426 | 5,942 |
| 1990 | 1,568 | 6,588 |
| 1995 | 1,671 | 7,020 |
| 2000 | 1,738 | 7,345 |

¹ Assumes that the Active Force remains unchanged at the June 30, 1968, level.

PROJECTED NUMBER OF MILITARY PERSONNEL RECEIVING RETIRED OR RETAINER PAY, AND ANNUAL DISBURSEMENTS WITH ASSUMED PAY AND CONSUMER PRICE INDEX INCREASES, DEPARTMENT OF DEFENSE

(Number of persons in thousands; dollar amount in millions)

| Fiscal year | Constant Active Force ¹ | |
|-------------|------------------------------------|--------------------------------------|
| | Number receiving retired pay | Pay and price increases ² |
| 1975 | 1,065 | \$4,519 |
| 1980 | 1,255 | 6,352 |
| 1985 | 1,426 | 8,256 |
| 1990 | 1,568 | 10,399 |
| 1995 | 1,671 | 12,824 |
| 2000 | 1,738 | 15,609 |

¹ Assumes that the Active Force remains unchanged at the June 30, 1968, level.

² Pay rates are assumed to increase by 3.5 percent annually and the consumer price index by 1.5 percent annually.

TITLE III

OPERATION AND MAINTENANCE

ESTIMATES AND APPROPRIATIONS SUMMARY

Estimates for the Operation and Maintenance of the military forces for fiscal year 1971 total \$19,512,045,000. The Committee recommends appropriations totaling \$19,213,630,000. This is a reduction of \$2,321,365,495 below the appropriations for fiscal year 1970 and a reduction of \$298,415,000 below the budget estimate for fiscal year 1971.

The gross reduction proposed by the Committee amounts to \$326,350,000. However, the Committee recommends adding \$27,935,000 above the budget which results in the net reduction of \$298,415,000. There is also a functional transfer of \$61,078,000 from Operation and Maintenance, Navy to Operation and Maintenance, Marine Corps.

APPROPRIATION COVERAGE

Funds appropriated for Operation and Maintenance are used to cover necessary day to day cost involved in support of our military establishment. These costs are related to (1) the size of the active forces and the numbers of personnel in the reserve components; (2) the tempo of operations, readiness, and deployment of the forces; (3) the training of personnel in the use of weapon systems and equipment; and, (4) the types of military facilities to be operated and maintained. The appropriations for operation and maintenance are directly related to the ability of our armed forces to react quickly, deploy effectively, and to maintain their overall state of readiness.

In addition to financing the operation of force units in training or in combat, these appropriations provide for the individual training of military personnel in basic military skills, and especially skills ranging from aircraft pilot to cook; for medical care of the military, their dependents, and retired military personnel and their dependents; for the operation of logistics supply systems; for the complex of command and control; for communications systems worldwide; for the education of dependents overseas; for certain support of free world forces in Southeast Asia; and for the operation of base establishments in support of these functions.

Some of the programs and/or activities planned to be supported by operation and maintenance funds during fiscal year 1971 are (1) a planned active inventory of about 33,000 aircraft, with fuel and related cost for about 15,984,000 flying hours, (2) support for 757 active ships having about 1,977,000 programmed steaming hours, (3) 207 service hospitals with an expected patient load of about 36,-

500, (4) the operation of 60 major service supply depots, (5) the support of about 635 active major military installations, and, (6) the direct-hire on the average of about 778,000 civilian employees.

The budget request for operation and maintenance includes funds in the amount of \$646,300,000 for the maintenance of real property; \$487,000,000 for the travel and transportation cost of both military and civilian personnel; \$790,100,000 for the operation and maintenance of worldwide-defense communication systems; \$614,600,000 for the support of forces of the Government of South Vietnam and other Free World forces in Southeast Asia; \$117,000,000 for the military-civilian assistance functions in South Vietnam which are being administered principally by the Department of the Army; \$1,164,800,000 for the transportation of supplies and equipment; \$1,822,500,000 for depot level maintenance and modernization of aircraft, engines, and accessories of which \$1,157,000,000 will be performed by service depots and \$665,500,000 by contractor operations; \$134,400,000 for the support of dependents overseas education; and a total \$5,980,600,000 for the payment of civilian salaries and related costs.

MANAGEMENT OF OPERATIONS

The Committee has for the past several years pointed out the need for management improvements in the Department. The report on the Department of Defense appropriation bill, 1970, stated that "The committee believes that streamlining of Defense operations is in order, but caution must be taken that the streamlined programs are properly managed. The decision of the Secretary of Defense to appoint a panel to review departmental operations is a timely move." The Committee suggested that the Blue Ribbon Panel should leave no stone unturned in order to obtain sufficient facts to be able to recommend the necessary management changes for improved operating procedures.

The Blue Ribbon Panel report made many recommendations regarding ways to improve overall management in the Department of Defense. Such recommendations included, among others, a reorganization and streamlining of Secretary of Defense Activities, the Organization of the Joint Chiefs of Staff, the Defense Agencies, the Secretariat activities of the services, and the operations thereunder. The Panel found that:

Effective civilian control is impaired by a generally excessive centralization of decision-making authority at the level of the Secretary of Defense. The Secretary's ability to selectively delegate authority and decentralize management, while still retaining personal authority on major policy issues of the Department, is seriously inhibited by the present organizational structure.

The President and the Secretary of Defense do not presently have the opportunity to consider all viable options as background for making major decisions, because differences of opinion are submerged or compromised at lower levels of the Department of Defense.

There are too many layers of both military and civilian staffs, and staffs are too large in the Office of the Secretary of

Defense, (OSD) the Military Departments extending down through the field commands, the Joint Chiefs of Staff and the Unified and Component Commands. The results are excessive paper work and coordination, delay, duplication and unnecessary expense.

The present arrangement for staffing the military operations activities for the President and the Secretary of Defense through the Joint Chiefs of Staff and the Military Departments is awkward and unresponsive; it provides a forum for inter-Service conflicts to be injected into the decision-making process for military operations; and it inhibits the flow of information between the combatant commands and the President and the Secretary of Defense, often even in crisis situations.

The Joint Chiefs of Staff could more effectively perform their important statutory role as principal military advisors to the President and the Secretary of Defense if they were relieved of the necessity of performing delegated duties in the field of military operations and Defense Agency supervision.

The present combatant command structure does not facilitate the solution of many serious problems which materially affect the security of the nation. For example, recent advances in technology require much closer coordination in planning for and employing the forces of the Continental Air Defense Command and the Strategic Air Command than can reasonably be expected with two separate commands. Also, the present Unified Commands do not bring about unification of the Armed Forces, but rather are layered with Service component headquarters and large headquarter's staffs.

There is substantial room for improvement and greater integration of management throughout the supply, maintenance and transportation systems of the Department. The most critical need for improved effectiveness is in the support of the Unified Commands.

There is no organizational element within OSD with the capability or the assigned responsibility for objectively making net assessments of U.S. and foreign military capabilities.

There is no adequate organizational element within OSD that is charged with the responsibility for long-range planning for the structuring and equipping of forces or for other similar purposes.

No formal mechanism exists within OSD to assure adequate coordination among the various elements of the Department.

The present functional assignments of Assistant Secretaries of the Military Departments contribute to duplication between the efforts of the Military Department Secretariats and the Service military staffs, and also between the Military Department Secretariats and OSD. * * * *"

The findings of the Blue Ribbon panel point out many management problem areas which have been brought to the attention of the De-

partment by the Committee over the years. The Committee will observe with interest the actions taken by the Department of Defense to implement the panel's recommendations for management improvement of Departmental operations. The Committee does not, however, place itself in the position of an item by item endorsement of the recommendations of the panel.

AREAS OF SPECIAL INTEREST

During the hearings this year, the Committee continued to devote special attention to several operational areas which prior hearings and committee studies indicated were in need of in depth management review and evaluation, in order to effectuate better controls and achieve cost savings. Some of the more important of these areas are intelligence; communications; automatic data processing; management studies and analyses; headquarters operations and administration; and public affairs, public relations, and public information.

Most of these operational areas were singled out by the Blue Ribbon Defense Panel for special consideration. The committee has not had the opportunity to fully evaluate all the recommendations, but a cursory view indicates that many appear to be worthwhile and possibly should be implemented.

From the Committee's review of these areas during the hearings this year, it could be generally ascertained that improvements were being made in the management of these important operations.

One recommendation of the Panel is of some concern to the Committee. The Panel recommended that the responsibility for Defense automatic data processing should be placed under the supervision of the recently established Office of Special Assistant to the Secretary of Defense for Telecommunications.

It would appear that these are two distinct and separate operational activities which need close scrutiny. While automatic data processing is used extensively in telecommunications operations, much of the sophisticated automatic data processing systems in operation or being installed in the Department of Defense are for the management of specific types of operations and/or activities unrelated to telecommunications, such as supply operations, accounting, and personnel management. Therefore, the Committee believes that there is a need for careful but separate management of these activities.

The Committee plans to delve deeply into the merits of this recommendation during the hearings on the 1972 budget requests.

Although the Committee is pleased with the progress being made in improving the management of communications, automatic data processing, intelligence, and management studies, funds requested for these operations were in excess of required needs and, accordingly, slight reductions were made. The nature and amount of these reductions is outlined in the separate discussion of each Service request.

EXCESS STOCKS

During the hearings this year the Committee again held discussions concerning the amount of excess stocks in Southeast Asia. By direction

of the Department of Defense, the Department of the Army established in 1967 in Okinawa the Pacific Utilization and Redistribution Agency (PURA) for the overview of a project for the utilization and redistribution of materials in the Pacific area. The primary missions assigned the agency are: (1) to maintain an inventory of excess material identified in a specific area; (2) supervise redistribution or disposal of such material within the specific area; and (3) report the availability of material which cannot be utilized in the specific area to other defense activities in accordance with developed procedures.

For the last couple of years, the Committee has had numerous complaints and received some corroborating evidence concerning the improper means being used to dispose of excess supplies in Southeast Asia. It is the intent of the Committee to see that the Department of Defense does not destroy supplies or equipment for the simple expedient of avoiding transfer to another theatre of operation or shipment back to the United States. We believe that such stocks should be inventoried, controlled, and placed in the supply line for redistribution.

The Army has advised the Committee that as of the end of February 1970, PURA had identified about \$929,000,000 of long supply stocks in the Pacific. The problem, however, is that only a limited amount of these stocks have been redistributed.

In a report dated August 14, 1970, the General Accounting Office stated that during fiscal year 1969, \$603,000,000 of excesses were reported to the agency while only \$23 million were redistributed to other users to fill current or future needs. This lack of redistribution is the problem with which the Committee is concerned.

The General Accounting Office pointed out in its report that "excesses reported to PURA, which are not used by other services or which are not requisitioned during the 60-day intra-service screening period, are reported back to the owning Service for disposition action in accordance with established Service supply procedures for disposal locally or for return to the Continental United States. We estimate that as much as \$370 million worth of the excesses reported to PURA, and for which there are no identified requirements in the Pacific will be turned over to property disposal activities as surplus to military needs. As the Government is only obtaining 7½% return of acquisition cost on disposal sales, it is imperative that maximum utilization of excesses be achieved."

With this latter conclusion, the Committee completely agrees. The Government cannot afford to suffer such a large loss on the disposal of these supplies and materials.

The General Accounting Office report points out further that PURA only has limited authority and as a result there is incomplete participation in the identification and redistribution operation. The Committee believes that when the Department of Defense determined that there was a need for such an agency, it should have given it the necessary authority to obtain complete cooperation of all the Services. The Committee believes that this authority should be granted at once.

The Committee directs that all excesses be identified and redistributed and requests the Department to furnish it with an accounting of all the excesses in Vietnam.

The Committee is making specific reductions to the request of the Services for supplies and materials. These reductions are identified herein in the sections on the various Service requests.

OPERATION AND MAINTENANCE, ARMY

| | |
|------------------------------|-----------------|
| Appropriation, 1970----- | \$7,467,751,079 |
| Estimate, 1971----- | 6,332,000,000 |
| Recommended in the bill----- | 6,219,011,000 |
| Reduction ----- | 112,989,000 |

APPLICATION OF REDUCTION

The recommended reduction of \$112,989,000 involves many of the operations of the Department of the Army and is a very small percentage of the overall amount requested for the particular operation and/or activity. An overall reduction of \$15,000,000 is proposed because of the man-year shortfall in military personnel strength as discussed in the writeup on Military Personnel, Army.

It is recommended that budgeted civilian personnel strength be reduced by 1,889 positions. This will allow the Army an end strength of 296,200 civilian employees on June 30, 1971.

The Army requested funds for 2,326 new positions. The Committee is allowing only 1,785 as shown in the following schedule:

| Activity | New positions requested | Allowed | Disallowed |
|--|-------------------------|---------|------------|
| SAFEGUARD operations----- | 1,105 | 1,105 | 0 |
| Aviation accident research----- | 44 | 30 | 14 |
| Reserve technicians----- | 535 | 300 | 235 |
| Computer command----- | 589 | 300 | 289 |
| Civilianization of food service operation----- | 53 | 50 | 2 |
| Total----- | 2,326 | 1,785 | 541 |

In addition to the reduction of 541 new positions, the Committee proposes a cutback of 1,348 existing positions. All of the latter should be applied to headquarters operations and administration staffs.

Although the Committee is approving the total new positions requested in support of SAFEGUARD operations, it is the Committee's desire that the Army not use the deployment of this system to build an organizational empire of either military or civilian personnel. The management organizational structure of this system should be kept as simple as possible.

The total dollar value of the reduction in civilian positions would have been about \$16,000,000 for the full year but since a fourth of the year has already passed the Committee is recommending a net reduction of \$11,000,000.

CONTRACT MANAGEMENT STUDIES

In the hearing this year, the Army stated that it did not know how many contract management studies would be made or the dollar amount that would be obligated in 1971. It was stated that the Army

has always had difficulty in knowing in the coming fiscal year just what management studies might be proposed.

The Committee believes that the Army could better plan its contract management study program. The Army should be capable of presenting a planned program for the year when it appears to present its budget request, as the other services do. The Committee directs that the Army obligate no more than \$1,000,000 for these studies in fiscal year 1971 and that specific estimates with supporting documentation be prepared in support of any request for funds in the fiscal year 1972 budget.

SAFEGUARD CONTRACT SUPPORT

For fiscal year 1971, the Army is requesting \$16,365,000 for contract services in support of the Safeguard system. The estimated obligation for fiscal year 1970 was \$3,505,000. Although the Committee recognizes the increased operational efforts being put forth in the deployment of the Safeguard system it could not reconcile this effort with the significant increase in funding requested for these service support contracts. Accordingly, the Committee proposes a reduction of \$3,100,000. This reduction is not intended to slow down deployment of Safeguard, but merely to indicate the Committee's concern over the number, type, and amount of these contracts.

An analysis of the services to be procured indicates coverage of every possible aspect of management responsibility and operational procedures. Some of the studies also appear to be duplications of studies in process or of studies which have already been made by other agencies or organizations of the Department of Defense. For example, one study is to "evaluate integration and interface between the Safeguard and Minuteman Systems". Testimony before the Committee this year also indicated that the Joint Continental Defense Systems Integration Planning Staff (JSIPS) was contracting for a Safeguard/Minuteman Coordination study. The purpose of this study as stated on page 1019 of Part 5 of the Committee hearings is for "A continuing project to monitor and promote coordination among the Operational Commands and Military Services for actions required to insure mutual compatibility and optimum interface between Safeguard and Minuteman." General Salisbury, testifying in defense of the continuation of JSIPS, stated that "One of the biggest projects we have under way now is the developing of and assistance in planning for the integration of the Safeguard system and Minuteman in order that those systems can best be operated to exploit their full potential without interfering with one another..."

Another Safeguard support contract is for the development of firing doctrine requirements, validation of contractor developed firing doctrine, and evaluation of other system firing doctrine. It would appear that information of this nature would be a natural fallout of the R.D.T. & E. phase of Safeguard system.

The Committee believes that the Secretary of the Army should promptly evaluate the need for the 17 service support contracts to determine their required need and the extent of duplication. The Committee wishes to be advised of the result.

LINE OF COMMUNICATIONS

The Committee reviewed in depth the request for funds for the new line of communications in Europe. The Committee feels that the establishment of the new line was inadequately planned and inadequately coordinated with the other Services. The plans as outlined to the Committee appear to be based on totally unrealistic assumptions. The Committee believes that a good deal of further thought and evaluation will have to be put forth in order to prepare a more realistic approach to this matter. Therefore, the Committee's proposal would deny funds requested for this operation. This reduction amounts to \$4,300,000 in the operation and maintenance budget request.

OTHER REDUCTIONS

The Committee recommends other reductions, as follows. The request of \$242,900,000 for automatic data processing operations is reduced by \$15,000,000. This resulted primarily because of the Army's decision to purchase a substantial amount of ADP equipment in the latter part of fiscal year 1970 for which it had requested lease funds.

The request for field exercises is reduced by \$3,696,000 because a number of exercises are never carried out. The Committee allowed \$15,000,000 for this operation which was the estimated 1970 level of funding.

Intelligence operations are reduced by \$3,058,000; communications operations by \$2,926,000; service support contracts by \$5,700,000 in addition to the reduction for Safeguard contracts; the request for supplies and materials by \$27,758,000; public information, public relations, and public affairs by \$900,000; and headquarters operations and administration by \$10,851,000, in addition to the civilian personnel reductions mentioned previously. The request for training operations is reduced by \$1,700,000 of which \$600,000 is applicable to the request for the increase in professional training and \$1,100,000 for the training of senior officers to fly helicopters which was discussed under the writeup on Military Personnel, Army.

CONVERSION OF HEATING PLANTS IN EUROPE

It has been brought to the attention of the Committee that the Army has underway a consolidated program for the conversion of all heating plants to oil at defense facilities in Europe. Information provided the Committee indicates that this program will cost in excess of \$24 million, and is being financed with Operation and Maintenance funds. Considering the \$25,000 limitation on the use of operation and maintenance funds for construction purposes, it appears to the Committee that funding of such a large conversion program requires authorization and appropriation in the military construction budget. The Committee directs that the Department of Defense make a study of the legal authority for the Department of the Army to undertake this program with operation and maintenance funds. The resulting opinion of the Department shall be furnished the Committee.

The Committee also questions with concern the conversion of these plants considering the possible withdrawal of United States forces from Europe. Also, the fact that the oil to be used in the converted plants will be imported from the Middle East is of concern to the Committee when consideration is given to conditions in that part of the world at this time. The heating plants involved now use anthracite coal, of which there is no present shortage.

The Committee recommends deletion of \$8,000,000 which it is estimated will be obligated for this program in fiscal year 1971.

EMERGENCY AND EXTRAORDINARY EXPENSES

In a classified briefing the Army requested that funds authorized for emergency and extraordinary expenses be increased by \$366,000, from \$3,634,000 to \$4,000,000. We were advised that this increase could be accomplished without any increase in the overall operation and maintenance budget request. The Committee has approved this request.

OPERATION AND MAINTENANCE, NAVY

| | |
|-------------------------------|--------------------|
| Appropriation, 1970 ----- | \$5, 242, 824, 000 |
| Estimate, 1971 ----- | 4, 804, 000, 000 |
| Recommended in the bill ----- | 4, 681, 910, 000 |
| Reduction ----- | 122, 090, 000 |

TRANSFER OF FUNDING RESPONSIBILITY

Traditionally, the operating cost of Marine Corps Air Stations has been funded through the Navy Operations and Maintenance Budget requests. The Department of Defense recently made a decision that seven stations that are solely operated for the benefit of the Marine Corps would be funded directly by the Corps. This is consistent with the Fleet Command Management System which had been endorsed by the Committee. Therefore, the Department of Defense has requested that the Committee transfer \$61,078,000 from Operation and Maintenance, Navy, to Operation and Maintenance, Marine Corps. The Committee has agreed to this request. The transfer of these funds also necessitated a transfer of \$9,109,000 in the limitation for the maintenance of real property facilities.

TOTAL REDUCTIONS

The Committee's action proposes a net reduction of \$61,012,000 exclusive of the transfer discussed above. This includes a gross reduction of \$65,012,000 which is offset by an increase of \$4,000,000 for project Deepfreeze. Many small reductions are included in the total reduction recommended for the Navy of \$65,012,000. In most instances the reduction represents a very small percentage of the amount requested.

CIVILIAN PERSONNEL

The Committee is recommending that civilian personnel strength be reduced by 1,600 positions. This represents a dollar reduction of \$15,000,000. Of the positions reduced, 432 are new positions and 1,168 are to existing positions. The reduction of 1,168 existing positions

should be applied to headquarters operations and administrative staffs. The Navy request for 888 new positions were for the following activities:

| Activity | New positions requested | Allowed | Disallowed |
|--|-------------------------|---------|------------|
| Financial management improvement program..... | 509 | 250 | 259 |
| Professional and other training..... | 157 | 75 | 82 |
| Intensified management of shipbuilding and conversion program..... | 131 | 131 | 0 |
| Joint uniform military personnel system..... | 91 | 0 | 91 |
| Total..... | 888 | 456 | 432 |

The Committee is concerned with the large number of new positions requested for the "Intensified management of the shipbuilding and conversion program." While recognizing the very urgent need for this program, as discussed under "Shipbuilding and Conversion, Navy" on page 71 of this report, the Committee is also aware of the large numbers of both civilian and military personnel working in shipbuilding and conversion areas. For instance, in the Washington Headquarters Office of the Navy Ship Systems Command there were on June 30, 1970, 2,038 civilians and 259 military personnel; a total of 2,297. It is estimated that this office will have a total end strength of 2,272 at June 30, 1971.

The committee approves the total number of new positions requested, but directs that the 131 new positions approved are to be reserved exclusively for this program and any of these positions or the funds associated therewith that remain unfilled or unused at the end of fiscal year 1971, shall lapse and shall not be diverted to other purposes.

VARIOUS REDUCTIONS RECOMMENDED

Information provided the Committee indicates that the Navy will experience a slight shortfall in military personnel strength. A reduction of \$1,600,000 is applied to this shortfall. The Navy requested \$1,825,000 for contract management studies. The Committee reduced this request by \$125,000, allowing \$1,700,000. The Navy requested \$150,800,000 for automatic data processing operations. A reduction of \$3,800,000 is recommended by the Committee because of a cutback in lease agreements and other operating costs. Intelligence operations are reduced \$5,570,000, and communication operations \$4,014,000. Service support contracts are reduced \$4,253,000. Ship overhauls and repairs are reduced \$7,500,000 because of the usual slippage in this operation and changes in the activation and deactivation of ships.

A reduction of \$2,600,000 is recommended in air operations. This reduction relates to the Committee's proposal to allow pilots attending long-term training programs to receive flight pay without performing proficiency flying. This change in procedures is discussed on page 102 in connection with the changes in the general provisions of the bill.

The reduction recommended for headquarters operations and administration is \$10,000,000. This is in addition to the civilian personnel reduction mentioned previously. The request for supplies and materials is reduced by \$10,000,000. The request for public affairs, public relations, and public information activities is reduced \$550,000.

ANTARCTIC OPERATION—DEEPFREEZE

Last year the Committee reduced funding for the Deepfreeze project by \$1,200,000. In April 1970 a reprogramming request was received from the Department of Defense to restore these funds.

The Committee was advised that responsibility for the program was in the process of being transferred from the Navy to the National Science Foundation and the funds were needed to continue the same level of effort as provided in prior years. At the time of the reprogramming request, the Committee was also advised that the funding level requested by the Navy for this program for fiscal year 1971 was also inadequate and an increase of \$4,000,000 would be required to secure the level of effort desired by the National Science Foundation. Since it was the Committee's desire in the first instance that funds for support of this operation should be obtained from other government programs in support of scientific research, the Committee approved the reprogramming request and recommends an increase in the Navy's operation and maintenance request by \$4,000,000 for fiscal year 1971.

"TORA, TORA, TORA"

In 1967, with approval from the Office of the Secretary of Defense, the Navy began to assist the Twentieth Century-Fox Film Corporation in making the movie, "Tora, Tora, Tora". The Navy billed the film company \$319,091. However, a review by the General Accounting Office disclosed that \$196,000 of additional support furnished by the Navy was not billed the film company. Included in this amount was \$136,500 for operating the USS Yorktown for 2½ days. This matter was also discussed in a Committee report by the House Committee on Government Operations. Both reports and testimony before the Defense Subcommittee indicated that the Department of Defense has only very broad policy guidelines concerning the cooperation to be furnished by the Services to film and other companies who want assistance from the military services. It appears that as a result of these very broad guidelines the Navy "overlooked" certain costs incurred in support of the making of this film. The Committee has no objection to the Department of Defense assisting, within reason, private enterprise in various undertakings of this general kind, but believes that the Department should be reimbursed for all costs incurred in rendering this assistance. The Committee believes that the Navy should make a strong effort to collect the \$196,000 from the Twentieth Century-Fox Film Corporation. The Committee directs that the Secretary of Defense provide the Services with specific guidelines on the furnishing of services to private enterprise and also on the cost reimbursements required.

OPERATION AND MAINTENANCE, MARINE CORPS

| | |
|-------------------------|---------------|
| Appropriation, 1970 | \$428,458,120 |
| Estimate, 1971 | 356,600,000 |
| Recommended in the bill | 399,943,000 |
| Increase | 43,343,000 |

INCREASE

As previously discussed under Operation and Maintenance, Navy, a transfer of \$61,078,000 is recommended to Operation and Maintenance, Marine Corps, for the funding of seven Marine Air stations.

REDUCTIONS

The Committee recommends a total reduction of \$17,735,000 to the Marine Corps request for operation and maintenance funds. The Marines will experience a shortfall of approximately 14,000 man-years of military personnel strength during fiscal year 1971. Against this shortfall the Committee proposes a reduction of \$10,000,000. The Committee recommends that civilian personnel strength be reduced by 330 positions. On a full year basis this would have amounted to a reduction of about \$2,615,000. However, since a quarter of the fiscal year has already passed, the Committee applied a reduction of \$2,000,000. A reduction of \$1,500,00 is applied to Marine Headquarters operations and administration. Public Affairs, Public Relations, and Public Information activities are reduced \$35,000.

Late in fiscal year 1970, the Marine Corps purchase a sizable amount of automatic data processing equipment which they had planned to lease in fiscal year 1971 with operation and maintenance funds. This allowed the Committee to apply a reduction of \$4,200,000 to funds requested for automatic data processing operations.

OPERATION AND MAINTENANCE, AIR FORCE

| | |
|-------------------------|-----------------|
| Appropriation, 1970 | \$6,530,100,000 |
| Estimate, 1971 | 6,176,500,000 |
| Recommended in the bill | 6,117,136,000 |
| Reduction | 59,364,000 |

VARIOUS REDUCTIONS

The Committee's recommended reduction to the Air Force request totals \$83,264,000 offset by an increase of \$23,900,000 for a net reduction of \$59,364,000. The gross reduction of \$83,264,000 affects many operations and/or activities supported with operation and maintenance funds. For shortfalls in military personnel man-year strength the Committee applied a reduction of \$8,000,000. Intelligence operations are reduced \$6,925,000 and communications by \$7,565,000. The C-5A crew training program is reduced \$2,000,000 because of the slippage in the C-5A production program. A reduction of \$6,700,000 is recommended in the operational cost of the F-111 fleet because of its being grounded. Headquarters operations and administration was reduced by \$5,624,000, excluding reduction in civilian personnel strengths. The request for supplies and materials was reduced \$13,000,000. Support

service contracts were reduced \$5,700,000. Public Affairs, Public Relations, and Public Information activities were reduced \$600,000. A reduction of \$750,000 was made in air operations as a result of the Committee's decision to allow pilots attending long term programs to receive flight pay without performing proficiency flying.

CIVILIAN EMPLOYEES

The Committee reduced the Air Force budgeted civilian personnel strength by 1,100 positions. This reduction amounts to \$9,000,000. The full year amount of this reduction would have been \$12,000,000, but because one quarter of the fiscal year has already passed, the reduction had to be lapsed. The request for 27 new positions is denied.

A sizable reduction can be made in headquarters operations and administrative staff. Also a reduction should be applied against the civilian personnel strength at the Air Force Academy. Air Force witnesses advised the Committee that during fiscal year 1971, the total supporting staff at the Academy will be 4,343, of which 2,194 will be civilian and 2,149 military. This staffing will exceed the number of cadets by 192. The Committee believes that in addition to an immediate cutback in civilian and military staffing, the Secretary of Defense should make a comprehensive evaluation of the staffing requirements at the Air Force and the other two service academies. The Secretary should report his findings to the Committee in conjunction with the 1972 budget request.

AUTOMATIC DATA PROCESSING

The Air Force requested \$200,300,000 for automatic data processing operations in fiscal year 1971. This was an increase of \$10,400,000 over the estimated operating cost for fiscal year 1970. The Air Force volunteered a reduction of \$4,200,000 as a result of a cut back in the implementation of the Phase II Base Level Data System. The Committee however did not believe there was sufficient justification for increasing operating funds above the 1970 level and therefore denied all of the increase.

Of concern to the Committee is the planned implementation of the new Advanced Logistics System. The Air Force has stated that there are no funds in the fiscal year 1971 request for the leasing of this system but at the same time advised the Committee that the contract for this system is expected to be awarded in December, 1970, or January, 1971, and the first system is to be ordered in the last quarter of fiscal year 1971, for installation during the first quarter of fiscal year 1972. The Committee questions how a purchase order could be issued for the installation of a system without incurring an obligation of funds.

The Committee in its report on the Department of Defense Appropriation Bill for 1970 expressed the desire that the Department proceed with caution in the implementation of this system. The Committee also directed the General Accounting Office to make a comprehensive review of the need, requirements, and implementation features of the system. The General Accounting Office has not completed its

study but a report is to be furnished the Committee prior to the beginning of hearings on the fiscal year 1972 budget request. The Committee recommends that the Air Force defer awarding the contract until after the Committee has had an opportunity to consider the General Accounting Office report and discuss it with the Air Force. The Committee believes that it should fully review any system that is estimated to cost \$817,226,000.

PILOT TRAINING

On June 19, 1970, the Air Force announced that undergraduate pilot training would be shortened from 53 weeks to 48 weeks beginning July 1, 1970. The Air Force advised the Committee that this cutback in training would result in a savings of \$7,000,000 in fiscal year 1971, which has been deleted from this bill.

RETENTION OF RESERVE UNITS

The budget for fiscal year 1971 proposed the deactivation of five Air Force Reserve Units. However, on July 13, 1970, the Air Force announced that these units would be retained and re-equipped with C-130 aircraft. The Air Force has informed the Committee that the retention of these units would require \$23,900,000 of additional operation and maintenance funds. The Committee has agreed to this increase.

OPERATION AND MAINTENANCE, DEFENSE AGENCIES

| | |
|------------------------------|--------------------|
| Appropriation, 1970..... | \$1, 160, 866, 907 |
| Estimate, 1971..... | 1, 162, 100, 000 |
| Recommended in the bill..... | 1, 125, 750, 000 |
| Reduction | 36, 350, 000 |

The Committee recommends total reductions of \$36,350,000 be applied to all Defense Agencies and/or activities. The effect is a slight reduction in each request.

SECRETARY OF DEFENSE ACTIVITIES

The budget request was \$42,395,000 for activities of the Secretary of Defense. The Committee recommends a reduction of \$2,411,000.

The Secretary's activities had a staff of 2,556 at June 30, 1970. The budget request planned to retain the same staffing during fiscal year 1971. In line with the Committee's position of reducing all headquarters operation and administrative activities a reduction of 156 positions was made. This action amounted to a reduction of \$1,700,000. The total reduction for a full year would have been \$2,500,000 but a quarter of the fiscal year has already passed and the reduction had to be lapsed.

Of the \$1,346,000 requested for management studies, \$1,300,000 is for support of the Logistics Management Institute. The Committee is of the firm opinion that the use of the Logistics Management Institute should be cut back immediately and the contract eventually terminated. The study effort, if need be, could be done in-house by the Department of Defense. The Committee reduced the request for management studies by \$300,000. The Committee would have reduced this

request more but because of the passage of one quarter of the fiscal year, decided that the \$300,000 reduction was sufficient.

The budget requested \$266,000 for consultant services. The actual amount expended in fiscal year 1969 was \$155,000. The Committee sees no need for an increase in this activity and therefore applied a reduction of \$111,000.

Other operating costs were reduced by \$300,000 because they were either unnecessary or overstated. This reduction includes \$100,000 for the new annual film report on the Department of Defense, \$100,000 for automatic data processing operations, and \$100,000 for other support costs.

ORGANIZATION OF THE JOINT CHIEFS OF STAFF

The budget request for the Joint Chiefs of Staff operations was for \$7,130,000. The Committee reduced this request by \$330,000.

In line with the Secretary of Defense's policy that all headquarters staffs be reduced the Committee cut back the request for civilian employees by 23 positions. The request for seven additional positions for support of the World-Wide Military Command and Control System is denied since the Committee is denying funds for the implementation of the system as discussed on page 85 of the report. The full annual amount of the reduction of 23 positions is \$240,000 but since one fourth of the fiscal year has already passed, the Committee applied a reduction of only \$180,000.

The requested increase of \$275,000 for travel cost was reduced \$75,000. Also the requested increase of \$58,000 for building alteration in connection with a reorganization plan of this office is denied. The request for supplies and other services was reduced by \$17,000.

ARMED FORCES INFORMATION AND EDUCATION

The budget requested \$12,145,000 for the Armed Forces Information and Education operations. The Committee reduced this request by \$838,000.

The Armed Forces Institute requested an increase of \$213,000 over the actual cost for fiscal year 1969 for contract services. These contracts are mostly for the grading of course lessons. In view of the large cut back in military personnel strength and the additional short-falls being experienced there should be less courses to be corrected than when troop strength was higher. Therefore the Committee does not believe this increase is needed and has deleted the funds.

During the hearings this year, the Committee discussed with representatives of the Armed Forces Institute a General Accounting Office report on the Institute's operations. The report pointed out many deficiencies among which were, (1) the low course completion rates experienced by the Institute which had not been evaluated to determine the causes, (2) the failure of the Institute to require drop-outs to return course material, such as books and lessons, and (3) the complete lack of inventory control over educational material. Based upon the facts presented, the Committee believes that the Secretary of Defense should institute a complete review of the Institute's operations and procedures.

The Committee believes that the civilian personnel strength of the Information and Education activities can be reduced by 30 positions at a lapsed savings of \$250,000. Because of the Institute's lack of inventory control the Committee reduced the request for course materials from \$2,275,000 to \$2,000,000, a reduction of \$275,000. Other services were reduced \$100,000.

DEFENSE SUPPLY AGENCY

For operation of the Defense Supply Agency, the Budget requested \$645,427,000. The Committee has reduced this request by \$19,375,000.

CIVILIAN EMPLOYEES

The Committee reduced civilian employment by 1,152 positions to a strength of 50,000. After being lapsed this reduction amounts to \$8,000,000.

The Committee reduction was prompted by the cut back in supply operations because of the lessening of activities in Southeast Asia and also, as a result of the Secretary of Defense announced cutback in headquarters staffs.

AUTOMATIC DATA PROCESSING

Automatic data processing operations were reduced \$6,000,000. The Committee intended a large reduction but lapsed it since the first quarter of the fiscal year has already passed. The major reason for the large reduction was the intended expansion of the Standard Automated Material Management System (SAMMS). The Agency intended to double the expenditures for research on and operation of the system in fiscal year 1971. This is an increase from \$11,982,000 to \$23,755,000.

SAMMS has been in difficulty for many years and the Agency has never been able to implement the system as planned. For the last three fiscal years, the Agency has received funds in its procurement appropriation to purchase equipment for the system, but has always reprogrammed these funds to other programs. The Director of The Defense Supply Agency advised that they have not done a very good job of programming SAMMS into operation. The Committee believes that instead of doubling expenditures, the Agency should stop where it is and go back and take a new look at the feasibility of installing such a sophisticated system. It may be that the Agency is trying to get ahead of the state-of-the-art in computer operations.

The Committee wants the General Accounting Office to immediately commence a comprehensive review of this system in line with the Committee's directive of September 24, 1969, and report as soon as possible. The Committee requests that the Department of Defense assist the General Accounting Office in every way possible so that its review can be expedited.

OTHER REDUCTIONS

The Committee disallowed the Agency's request for an increase for other purchased services of \$2,800,000. The \$1,000,000 increase requested for travel cost has been reduced by \$500,000. The request for supplies and material was reduced by \$2,075,000.

DEFENSE COMMUNICATIONS AGENCY

The budget requested \$47,730,000 for the operation of the Defense Communications Agency. This is an increase of \$6,805,000 above the actual obligations for fiscal year 1969, and \$1,553,000 above the estimate for fiscal year 1970. The Committee reduced the Defense Communications Agency request by \$4,046,000.

In line with the Committee's position to reduce civilian employment in the Department of Defense and the Secretary's directive to reduce headquarters staffs the Committee reduced civilian employees by 100 positions. A portion of this reduction should be applied against positions in support of the National Military Command System. This reduction in personnel would have resulted in a reduction of about \$1,360,000 but because of the need to lapse for the first quarter the Committee only applied a reduction of \$1,000,000.

The requested increase of \$205,000 for travel cost is denied. The Committee believes that \$2,200,000 for this purpose is sufficient. The request for supplies and materials is reduced \$241,000, allowing a total of \$1,400,000.

CONTRACT MANAGEMENT STUDIES AND SERVICE

Within the Defense Communications Agency budget is a request for \$19,800,000 to support the National Military Command System. The Committee reduced this request by \$2,000,000 to the fiscal year 1969 level of \$17,800,000. Of this reduction \$1,570,000 is applicable to the request for contract management services. The Committee believes that sufficient capability should be available in-house at this time to provide a substantial amount of these services, especially in the computer support area. The Committee fails to see any need for such contract services as "general analytical and programming support," especially in view of all the inhouse automatic data processing equipment and support services which has been provided the Department. A general reduction of \$430,000 is made against the request for the National Military Command System.

The Defense Communications Agency also requested \$1,298,000 for contractual services. A list of these contracts appear on pages 887 and 888 of Part 3 of the Committee's hearings. The Committee reduced this request by \$600,000. The Committee would have reduced this request more but had to consider the expiration of the first quarter of the fiscal year.

The Committee does not understand the need for several of these contracts. In view of the establishment of the Defense Communications Agency's Systems Engineering Facility it would appear that some of the work to be contracted could be performed inhouse.

Neither does the Committee believe it wise for the Defense Communications Agency to spend \$500,000 on a study of the "long range concept task" of the National Communications System. The concept of this system has been studied many times over the past several years. The Committee has discussed on various occasions this concept with representatives of the Department of Defense and the Office of Emergency Preparedness. Each time there were expressions of hope that the criteria for this system would be developed and implemented. Very little as yet has developed. On July 14, 1969, the General Accounting Office issued a report on its review of the status of develop-

ment toward establishment of a unified National Communications System. The General Accounting Office report concluded that—

“Although our study showed that some progress had been made, it also showed that much remains to be done to achieve a unified NCS such as the President directed be established in 1963. Our study disclosed that significant issues and problems exist within the NCS organizational structure and management arrangements, which appear to be impeding the timely achievement of its objectives and goals. Many of these issues and problems involve the very basic and essential ingredients that we believe are needed to achieve greater unifications of the telecommunications networks that exist within the various agencies of the Government.

“Of particular significance is the absence of any long-range plan or ‘blueprint’ and centralized policy guidance within the Government to chart the course over which the telecommunications networks of the NCS operating agencies are to be developed to best serve the Government as a whole. Without such a blueprint and accompanying guidance, the corresponding and equally significant function of planning is virtually impossible; and, from a unification point of view, the operating agencies are not prevented from planning and developing their individual networks to perform and fulfill solely the mission needs of the agency.”

The General Accounting Office recommended that—

“The President undertake a realignment of the NCS structure and organizational arrangements and that a single organization or entity be put in charge of the Government’s telecommunications activities.

“We also recommend that, in undertaking this realignment, consideration be given to (1) removing the Office of the DTM as a component part of the OEP and reconstituting this office as the new organization or entity and (2) assigning the roles and functions of the Executive Agent and the Manager, NCS, to the new organization or entity, in order to avoid any parochial or conflicting roles inherent in the present organizational arrangement.

“We recommend further that, in addition to the organizational realignment, the President direct that early attention be given to (1) clarifying what a ‘unified’ NSC is intended to be * * *, (2) resolving the question of the establishment of an integrated trunking system * * *, and (3) reaching a timely decision on the combination of the separate voice networks operated by DOD and GSA.”

During the hearings this year, the Committee discussed this General Accounting Office report with the Director, Defense Communication Agency, who is also Manager of the National Communications System. The Director agreed with the recommendations of the General Accounting Office. He also pointed out that suggested changes in the organizational structure of the System had been made but action has not been taken to implement them. The Committee does not believe another long range concept tasks study is needed at this time. What is really needed is a decision to either reorganize the existing management structure of the system and grant it sufficient authority to enforce policy decisions needed to make the system operate effectively or abandon the entire concept. There is no need to spend \$500,000 for a concept task study until it is determined whether the system should continue.

OTHER AGENCY REDUCTIONS

The request of the National Security Agency was reduced \$5,000,000 and the request of the Defense Intelligence Agency \$2,000,000.

The Defense Atomic Support Agency requested \$20,200,000 of operation and maintenance funds. The Committee made a general reduction of \$2,000,000. The Committee noted that the Blue Ribbon Panel recommended that this agency should be disestablished.

A general reduction of \$350,000 was also made in the public affairs, public relations, and public information activities of the Defense Agencies.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

| | |
|-------------------------|---------------|
| Appropriation, 1970 | \$315,003,601 |
| Estimate, 1971 | 287,400,000 |
| Recommended in the bill | 287,400,000 |

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

| | |
|-------------------------|---------------|
| Appropriation, 1970 | \$345,201,780 |
| Estimate, 1971 | 343,600,000 |
| Recommended in the bill | 337,600,000 |
| Reduction | 6,000,000 |

The Committee recommends that the request for the Air National Guard be reduced \$6,000,000. Of this reduction \$5,000,000 is chargeable against the flying hour program because the Air Guard requested an increase of \$1,900,000 in fuel cost even though the flying hour program was decreased by 8,351 hours. Also, because subsequent to the budget request a fuel price decrease has been announced which resulted in a savings of \$3,100,000. A general reduction of \$1,000,000 was applied against other operating cost because it was felt that the estimates were generally overstated.

NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE, ARMY

| | |
|-------------------------|----------|
| Appropriation, 1970 | \$54,008 |
| Estimate, 1971 | 65,000 |
| Recommended in the bill | 100,000 |
| Increase | 35,000 |

The Committee believes that this program has been underfunded for the last two fiscal years. In fiscal year 1968, the Congress provided \$428,000 for this activity. No funds were directly provided for fiscal year 1969. In that year the funds for support of this activity were incorporated in the request of the Army for operation and maintenance activities. For fiscal year 1970, the Congress provided \$54,008. The Committee believes that to operate effectively the National Board requires additional funds and therefore increased the request by \$35,000.

CLAIMS, DEFENSE

| | |
|-------------------------|--------------|
| Appropriation, 1970 | \$39,000,000 |
| Estimate, 1971 | 39,000,000 |
| Recommended in the bill | 39,000,000 |

CONTINGENCIES, DEFENSE

| | |
|------------------------------|-------------|
| Appropriation, 1970----- | \$5,000,000 |
| Estimate, 1971----- | 10,000,000 |
| Recommended in the bill----- | 5,000,000 |
| Reduction ----- | 5,000,000 |

The Department of Defense has obligated only a very small amount of the funds appropriated for the last five fiscal years. The Committee believes a level appropriate of \$5,000,000 will be sufficient. As a result the request was reduced \$5,000,000.

COURT OF MILITARY APPEALS, DEFENSE

| | |
|------------------------------|-----------|
| Appropriation, 1970----- | \$738,000 |
| Estimate, 1971----- | 780,000 |
| Recommended in the bill----- | 780,000 |

TITLE IV

PROCUREMENT

ESTIMATES AND APPROPRIATIONS SUMMARY

The fiscal year 1971 budget authority estimates for the procurement appropriations total \$17,358,600,000, which is \$499,773,462 less than the amount appropriated for this purpose in fiscal year 1970. The Committee recommends appropriations of \$16,243,810,000, a reduction of \$1,114,790,000 below the fiscal year 1971 budget authority estimates and \$1,614,563,462 below the amounts appropriated for fiscal year 1970.

APPROPRIATION COVERAGE

The procurement appropriations of the Department of Defense finance the acquisition of capital equipment, such as aircraft, missiles, ships, combat vehicles, weapons, munitions, and communications; major items for support of the capital equipment when it is in use; the industrial facilities necessary to produce that equipment, and major modification of equipment in inventory where modernization can be achieved without buying new equipment. The capital equipment financed by these appropriations is principally procured from private contractors or produced in Government arsenals, shipyards, and plants.

GENERAL STATEMENT

For years, the Committee has worked to improve Defense procurement methods, eliminate waste, and encourage economies using budget reductions and specific recommendations as tools. The Committee obviously cannot operate the Department of Defense, but it does feel obligated to point out deficiencies in procurement whenever they are apparent. Changes and improvements, however, must come for the most part from within the Defense Establishment under the leadership of the Secretary of Defense and his principal civilian and military staff.

The Blue Ribbon Defense Panel studied various aspects of Defense procurement policies and management practices and made certain recommendations for improvements, including a much-needed revision of the Armed Services Procurement Regulation, which the Panel described as "complex and unrealistic to an extent that obscures Defense procurement policy." It is expected that the recommended changes to this document will be implemented at an early date.

An important aspect of procurement discussed by the Panel was formally advertised versus negotiated procurement. Competitive procurement, and more specifically a lack thereof, has been of particular concern to this Committee for a number of years. The Panel pointed out that only 10 to 12 percent of the Defense procurement dollars is

spent through the method of formally advertised procurement even though this method is established as a general rule in the Armed Services Procurement Act of 1947, as amended. There are 17 statutory exceptions to the general rule and these exceptions constitute the vehicle by which 88 to 90 percent of the dollars involved in Defense procurement of goods and services are negotiated. The extent of competition obtained in negotiated contracting was not addressed. The Panel expressed the view, however, "... that the overwhelming proportion of Defense procurement actions take the form of negotiated contracts is a fact of life and should be recognized as such."

While the Committee must agree with this expression to a great extent, it is also equally clear that the exceptions to the general rule are used often as an expedient rather than being based on a valid requirement to negotiate, because formally advertised procurement is a laborious and time-consuming process for contracting officer personnel. Nevertheless, formally advertised contracting certainly has a rightful place in Defense procurement and it should not be downgraded. Cost savings resulting from this method of procurement have been realized and documented over the years. More importantly, the Defense negotiator is at a distinct disadvantage in experience, skills, and salary when negotiating contracts with industry personnel, a fact recognized by the Panel. For these and other reasons, any changes planned or contemplated in this important area should consider fully the significant advantages offered by the formally advertised method of procurement.

The Committee shares the concern of the Panel that there is a need for improvement in the acquisition, training, and retention of procurement personnel. The Panel has also made meaningful suggestions and recommendations with respect to industrial plant equipment and in the overall field of logistics, including improvements in the integrated management of procurement. These recommendations should be implemented as soon as practicable.

TOTAL PACKAGE PROCUREMENT

Total package procurement is a technique used to develop, design, and produce a new weapon system under a single contract. This type of contract extends over many years and the pricing base is usually optimistic primarily because of the difficulty in predicting costs over a span of several years. Consequently, final costs almost invariably are far in excess of original estimated costs, with the result that current funds have to be used to complete prior year programs.

The experience of the Department of Defense with the total package procurement technique has been less than salutary, and in many cases disastrous. This method of contracting effectively commits the Government to a contract for the production of a very expensive weapon system before the system has undergone the crucial design and development effort that major weapon systems require. When the research and development effort clearly indicates that financial, technical, or scheduling milestones will not be met, the Government is not in sufficient control of the contract to amend it to the Government's advantage. In practice, the dividing line between completion of the design-development phase and the initiation of production becomes

obscured so that production funds are committed prematurely and used for developmental effort. In some cases, total package procurement contract decisions have been made strictly on calendar milestones instead of performance milestones. This has resulted in starting the production effort long before the system is ready for production. As a consequence, many items are produced which do not meet specifications and they later require many expensive and time-consuming changes in order to improve their capability.

It was discouraging, therefore, to hear some Defense witnesses during Committee hearings this year justify entering production on major equipments and systems before adequate testing has been completed, based partially on the fact that the Government had a favorable price under a total package procurement contract. In its report of July 1, 1970, the Blue Ribbon Defense Panel recommended that total package procurement be prohibited. The Committee agrees with the Panel recommendation that total package procurement as presently constituted should be prohibited. It would appear, however, that something short of total package procurement, perhaps a middleground between that concept and the old way of doing business, at least should be studied before discarding completely some of the advantages the technique did provide.

In recommending reductions in certain programs, the Committee was not unduly influenced by the fact that the system in question was under a total package procurement contract.

AIR-TO-GROUND CONVENTIONAL ORDNANCE

During this past year, the Committee had its investigative staff conduct a review of military programs for the development of air-to-ground weapons for delivery of conventional ordnance. This review disclosed that there has been a costly and unnecessary duplication of air-to-ground weapons' development among and within the military departments. These overlapping developments have led to waste of development resources and inefficient use of production funds. In addition, this situation has resulted in an inordinate amount of proliferation of such weapons in the inventories of the military services with the attendant expenditure of logistics resources.

Not counting air-to-ground weapons under development, there are in the Department of Defense inventories, for example, nine different general purpose free fall bombs, including two 500-pound and three separate 1,000-pound varieties; seven different special purpose bombs, including three separate fire bombs; and 17 various cluster bombs, consisting of 7 different dispensers and some 14 different bomblet loads. Of the 17 in the inventory, only four cluster bombs currently receive joint service use. With respect to general purpose free fall bombs, only the MK-80 series are jointly used by the Air Force and Navy, and even these differ as to types of fuzes and explosive fillers used. In addition, there are three separate weapons designed to clear helicopter landing zones.

Unfortunately, the cause of such waste—the inability of Defense officials at a sufficiently high level to actually validate the military requirements of the respective services against overall defense needs—remains essentially unsolved.

Our investigative staff found that in late 1964, the Joint Technical Coordinating Group for Air-Launched Non-Nuclear Ordnance was established as a joint service organization to preclude such duplication. From its inception, however, the work of this group has been inhibited because the coordination at this level occurs after the respective services' military requirements are established and often after development programs are under way. To be effective, this needed coordination should occur before these requirements are firmly established at the service level. While this coordinating group has some decision-making authority, being headed by officers of four-star rank, this authority does not extend to the area of military requirements. This group can only proffer recommendations with respect to requirements, making the group essentially powerless to prevent duplication and to require design standardization and joint usage.

According to our staff review, in September 1967, the Secretary of Defense initiated the Development Concept Paper (DCP) and established it as a primary Department of Defense decision-making and implementation vehicle for major programs estimated to cost in excess of \$25,000,000 in development and/or \$100,000,000 in production. Since then, three years have elapsed, and a Defense directive has yet to be issued for the DCP procedure. Notwithstanding the evolutionary status of this procedure, however, the DCP process itself does not require that the significant and basic issues of possible duplication of weapons systems, in being or under development, be addressed, nor does it require that non-initiating services take a formal position with respect to joint service use.

To complement the DCP procedure, the Defense Systems Acquisition Review Council was established in May 1969 to review major development programs during three evolutionary phases to assure that programs are ready for transition from one phase to another. The Council, however, has no decision-making authority and can only make recommendations.

In February, 1969, the Air Munitions Requirements and Development Committee was organized under a one-year charter to assist in assuring, where practical, joint use requirement and design standardization of air munitions to fulfill the needs of more than one service. This Committee directs its activities, however, toward the smaller programs beneath the development concept paper threshold. The Committee has had little impact in achieving joint use requirements inasmuch as the service representatives do not have the authority to commit their particular service in the area of requirements.

It can be seen from the foregoing that these efforts have been more or less perfunctory in nature and have contributed little in the way of encouraging joint development programs.

The basic and primary role of supervising all research and engineering activities in the Department of Defense, including the elimination of duplicating programs, rests with the office of the Director of Defense Research and Engineering (DDR&E). While it is recognized that parallel development efforts in more than one service are not always undesirable, and in certain instances may be even beneficial, there appears to be little excuse for permitting duplicative weapons to enter production and be ultimately introduced into the inventories of the military departments.

For instance, the Army, Navy, and Air Force, with DDR&E concurrence, were permitted to spend a total of over \$18,000,000 on development of fuel air explosive weapons. Only the Navy weapon entered production, but this was due to the fact the Army and Air Force were unsuccessful in perfecting their weapon developments after a total expenditure of \$10,000,000. As a matter of fact, the Air Force development work continues to this day.

In January, 1966, the Deputy Secretary of Defense gave the Army the responsibility of determining the technical requirements for all air delivered land mines. Notwithstanding the above decision and an elapsed time of over four years, a joint operational requirements document has not yet been promulgated. The Navy, despite the above decision, is developing an aerial delivered land mine solely for Marine Corps application, and the Air Force has continued to independently develop various aerial delivered mines, maintaining they are used for interdiction rather than close air support.

Another case in point involved the Navy WALLEYE II and Air Force HOBOMOB bombs. Each of the two services, with the approval of DDR&E, chose to respond to the same basic Southeast Asia requirement with separate but similar weapon development programs and spent a total of about \$12,600,000 in their efforts. In April 1970, the Deputy Secretary of Defense cancelled the Navy WALLEYE II production program and eventually the Navy will be required to utilize the Air Force HOBOMOB weapon. This situation is not only a good example of the unwillingness of the military departments to get together in joint development programs, but the seemingly inability of DDR&E to bring about joint service development short of a decision by the Deputy Secretary of Defense. Even at the present time, a joint development program for a new family of general purpose bombs is being held up until the matter of Air Force and Navy requirements is resolved either willingly at the service level or by direction at the Secretary of Defense level.

From the foregoing analysis by our investigative staff, it is apparent that nowhere in the Department of Defense does a development program currently receive an adequate review from the standpoint of balanced military requirements. For this reason, the Secretary of Defense is urged to direct his attention to this fundamental problem, not only with respect to air-to-ground ordnance, but to all weapon system developments. In the meantime, the Committee has taken steps to emphasize its concern by making certain reductions in air-to-ground ordnance programs as highlighted by the review of its Surveys and Investigative Staff.

APPROACH TO THE BILL

Since the submission of the President's budget in January, 1970, there have been several important innovative concepts and policies announced by the Secretary and Deputy Secretary of Defense effecting procurement generally. These new approaches have stemmed primarily from the report of the Blue Ribbon Defense Panel published July 1, 1970. Of particular significance were the Panel recommendations that (a) total package procurement, previously discussed (see page 54), should be prohibited; and (b) that there should be "a general rule against concurrent development and production efforts, with

the production decision deferred until successful demonstration of developmental prototypes." The Secretary of Defense has publicly announced that he embraces the "fly before buy" concept, and the total package procurement technique runs contrary to that concept.

The fiscal year 1971 procurement budget contains funding requests to enter production on a number of weapons systems and other equipments which are clearly outside the "fly before buy" approach. This is understandable because the Committee believes that if the Secretary of Defense had had the benefit of the Blue Ribbon Panel findings and recommendations at the time the fiscal year 1971 budget was being formulated, these funding requests to prematurely enter production would not have been included. In a speech in late August 1970, the Deputy Secretary of Defense stated emphatically that the Defense Department no longer would enter production on weapons systems and other equipment until it had been determined beforehand that such systems and equipment do in fact work.

The Committee in its report last year strongly advocated the "fly before buy" approach, and it is gratifying to see its adoption by the Department of Defense. While the recommended total reduction might seem severe, a close reading of the report detailing the Committee's reasons for each reduction will disclose that they are well justified and in consonance with the new procurement policies of the Defense Department.

One of the many benefits to be derived from a "fly before buy" approach is that in the long run a better weapon will reach the troops sooner. It has been demonstrated repeatedly that too much concurrency between development and production has resulted in weapons being fielded that either do not meet specifications or do not work. In many such cases the weapons which were replaced would have been more effective than the new ones rushed into production prematurely and fielded. Thus, "fly before buy" does not retard modernization; rather, it has the opposite effect of enhancing modernization. Of secondary but of considerable importance is the fact that taxpayer dollars are saved by minimizing the necessity for costly and time-consuming production changes and subsequent modification effort.

CLOSE AIR SUPPORT AIRCRAFT

This year, the Committee was faced with a Department of Defense request to fund three close air support aircraft—the Army AH-56A Cheyenne gunship, the Marine Corps AV-8A Harrier aircraft, and the Air Force A-X aircraft. There is a serious question as to whether or not future Defense budgets can support the development and/or procurement of three separate aircraft weapon systems designed to perform essentially the same mission. The Committee, therefore, reviewed closely the close air support requirements of the military departments in approaching the overall three-aircraft funding request.

The National Security Act of 1947 established general policy pertaining to the functions of the military departments. The Air Force was directed to furnish close combat support to the Army as well as provide other types of support. However, missions of close air support were not stated as exclusively Air Force missions, even though the Air Force has chosen to make that interpretation.

The Army, the primary beneficiary of close air support aside from Marine Corps ground forces, prefers the helicopter gunship to satisfy its immediate close air support requirements, primarily because of a reluctance to depend on the Air Force to provide this needed support in an effective and timely manner. The Army has been placed in the position of competing with other Air Force missions and must depend upon the type of aircraft the Air Force selects for the close air support mission, whether or not it can adequately and completely satisfy the Army's immediate close air support requirement.

For these reasons, therefore, the Army embarked upon the helicopter gunship concept, first with the Cobra to provide an interim capability and ultimately with the AH-56A Cheyenne helicopter gunship. In order to diminish the roles and missions opposition by the Air Force, the Army described the Cheyenne concept as an "advanced aerial fire support system" designed to provide the Army with "direct aerial fire support" as opposed to "close air support," obviously an artificial distinction even by definition. Rather than help, this complicated the roles and mission problem.

The growing Air Force opposition to the Army's providing its own immediate close air support focused on the proposed development of the Cheyenne; therefore, in 1967, the Office of the Secretary of Defense authorized the Air Force to study the A-X aircraft. It was stipulated at that time that the A-X requirement and characteristics should be based on the assumption that Army ground forces will have aviation fire support capability such as that provided by Cheyenne.

On September 28, 1970, the Secretary of the Army advised the Committee that "although both the Cheyenne and the A-X are intended to provide combat air support, they are complementary in that they have different flight characteristics which influence the degree of suitability for specific missions." He went on to state that he had discussed this point with the Secretary of the Air Force in depth and "there are some outstanding questions concerning operational utilization," a clear indication of the duplication existing between the A-X and Cheyenne.

When one considers what the Cheyenne will provide the Army in the way of close air support, including the night and adverse weather capability, this leaves little more than an interdiction role for the A-X, and the military aircraft inventories are replete with effective interdiction aircraft.

The Marine Corps does not share the Army's problem in that Marine forces have a built-in close air support capability. The helicopter, and particularly the Cobra gunship which was to fill an interim close air support need until the Cheyenne became operational, has been used quite effectively in Southeast Asia. The Marine Corps, recognizing the importance of the helicopter for certain close air support missions, has added helicopter squadrons to its aircraft inventory, and recently had purchased the AH-1J, a twin-engine version of the Cobra gunship. In addition, the Marine Corps has added the Harrier aircraft to its inventory along with the F-4, the A-4, and the Cobra gunship, all of which have been used by the Marines for various close air support missions. In certain respects, the Harrier, with its V/STOL capability and the method of employment envisioned by the Marine

Corps, would appear to duplicate the Cheyenne in the close air support role even more than the A-X does.

The Air Force A-X, to be designed specifically for the close air support role, is still a "paper" aircraft. It is described as an inexpensive aircraft estimated to cost approximately \$1,200,000. This is "flyaway" cost. By comparison, the Secretary of the Army advised the Committee on September 28, 1970, that the recurring "flyaway" cost of a Cheyenne, similarly equipped and in the same quantities as the A-X, would be approximately \$1,290,000. The Army claims the current best estimate of the average unit cost of a Cheyenne fully equipped, based on the quantity to be procured, is \$3,550,000 per aircraft. From past experience, the stated unit cost of the A-X is probably grossly underestimated. When an adverse weather and night capability is provided the A-X in order to make it an effective and useful close air support aircraft, it will in all probability cost close to \$3,500,000 each.

Also of particular significance is the Harrier cost, estimated to have a production unit cost in the United States, for the relatively small quantity planned, of at least \$5,400,000. In addition to the \$238,500,000 program cost increase caused by the decision to build Harrier in the United States, the budget proposal did not in fact fully satisfy the recommendation of the House Armed Services Committee last year that Harrier be produced within the continental limits of the United States. After completion of the proposed United States build program in four years, 49 percent of the airframe and all the engines will have been built in the United Kingdom. For these reasons, the committee recommended against the expenditure of any funds for the establishment of a Harrier production line in the United States at this time. This action does not terminate the Harrier program and does not preclude future manufacture of Harrier in the United States. It does provide the Marine Corps with Harrier at an earlier date, because there is an active production line in being at the present time, and at a cost of only about \$3,400,000 each. The Committee recommendation will defer substantial procurement of Harrier until the Secretary of Defense has had an opportunity to evaluate the fundamental issues involved in the close air support problem and decide on an optimum aircraft for the military departments to meet this requirement.

Accordingly, the Department of Defense is directed to reevaluate the roles and missions and aircraft options available relative to close air support, including the Air Force's A-X, the Army's AH-56A Cheyenne, and the Marine Corps' AV-8A Harrier aircraft before recommending substantial procurement of any close support aircraft. The Committee does not visualize nor does it believe that a significant study effort is involved. The close air support roles and missions problem has been studied and evaluated for years. Unfortunately, it has been beclouded with artificial issues, such as fixed-wing versus rotary-wing, which are not germane, as well as too little attention given to the large number of extraordinarily fine attack aircraft in our military inventory which can satisfy a portion of the close air support requirement. What is needed now is a resolution of the relevant issues, with full consideration of the need to provide our ground forces with the most effective and timely close air support possible, followed by a

determination of the optimum aircraft to meet this all-important requirement, whether it be fixed-wing V/STOL, rotary-wing, or fixed-wing STOL.

The Secretary of Defense is requested to provide the appropriate committees of Congress with the results of his evaluation along with his decision on the aircraft best suited to meet the close air support need in sufficient time for the fiscal year 1972 budget to reflect this determination. In the interim, the Committee has provided sufficient funds to maintain the Harrier, Cheyenne and A-X aircraft programs at appropriate levels of effort pending the Secretary of Defense decision.

PROCUREMENT OF EQUIPMENT AND MISSILES, ARMY

| | |
|------------------------------|--------------------|
| Appropriation, 1970----- | \$4, 259, 329, 911 |
| Estimate, 1971----- | 3, 226, 000, 000 |
| Recommended in the bill----- | 2, 933, 100, 000 |
| Reduction ----- | 292, 900, 000 |

This appropriation provides funds for items of combat and support equipment for approved Army forces needed to meet both nuclear and conventional war requirements. Major budget activities under this appropriation are aircraft, missiles, weapons and combat vehicles, tactical and support vehicles, communications and electronics equipment, other support equipment, ammunition, and production base support. The appropriation also provides for the procurement of spares and repair parts not covered in the Army stock fund as well as production engineering, tooling, and facilities in support of current procurement programs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,933,100,000, a reduction of \$292,900,000 below the budget authority estimate, and \$1,326,229,911 below the appropriation for fiscal year 1970. The reduction includes \$31,300,000 of the budget authority request which failed authorization of Congress, and an additional reduction of \$261,600,000 recommended by the Committee.

The appropriations provided will fund quantities of four different rotary-wing aircraft, Safeguard ground equipment as well as Sprint and Spartan missiles, various surface-to-air missiles, over 1,000 armored personnel carriers, 300 M60A1 tanks, large quantities of trucks, weapons, communications and electronic equipment, support equipment, and over \$1,000,000,000 worth of ammunition.

PRIOR CONGRESSIONAL ACTION

The \$31,300,000 of budget authority request which failed Congressional authorization, includes a \$10,000,000 reduction in the SAFEGUARD program, \$8,900,000 in the improved HAWK missile program, and a \$12,400,000 reduction in financing adjustments involving the recoupment of prior year balances brought about by Section 642 of Public Law 91-171.

AIRCRAFT

CH-47 CHINOOK HELICOPTER

The request of \$41,600,000 for the procurement of 24 CH-47 Chinook cargo transport helicopters has been reduced by \$15,000,000 because of the favorable total asset position of the Army for these aircraft. The funds provided are sufficient to maintain the production line at a rate of one per month.

UH-1 IROQUOIS HELICOPTER

The Committee has reduced the request of \$37,900,000 for 120 UH-1 Iroquois helicopters by \$8,300,000. Since the submission of the fiscal year 1971 budget request, the Army has decided to utilize existing engines and other components which are in long supply for new aircraft production, thereby reducing the total cost of these helicopters by the amount of the recommended reduction.

AH-1 COBRA HELICOPTER

The Army requested \$37,000,000 for 70 AH-1 Cobra gunships. Because of the Army plan to use engine assets and other components for new helicopter production, the Committee has recommended a reduction of \$4,400,000 from the amount requested.

AIRCRAFT GROUND SUPPORT AVIONICS

In the area of aircraft ground support avionics, the Committee does not recommend funding \$2,200,000 for the AN/TSQ-71 Landing Control Central because of a slippage in the test program, and \$1,700,000 for the AN/TSQ-70A Air Traffic Facility because the equipment failed engineering and service tests.

MISSILES

XMIM-23B IMPROVED HAWK MISSILE

The Army is requesting \$90,300,000 for the XMIM-23B Improved Hawk surface-to-air missile. In July, 1970 the Senate Armed Services Committee recommended a reduction of \$37,000,000 for procurement of Improved Hawk missiles in fiscal year 1971 because of development problems, the current status of testing, and the concurrency that exists between development and production.

On August 31, 1970, the Army entered into a production contract containing fiscal year 1971 production options. The committee believes the Army contract action was premature and especially untimely in the face of a Senate Armed Services Committee recommendation for a program reduction that had not been resolved in joint House/Senate committee conference. Until the August, 1970 contract award, a significant portion of the fiscal year 1969 and all the fiscal year 1970 funds appropriated by Congress for these missiles had not been placed on contract because of serious problems in the development program. Army engineering and service tests were suspended from December,

1969 until mid-March, 1970, at which time only 16 missiles had been fired with limited success. At the present time all the six "core" flight objectives have not been fully demonstrated thus far in the missile flight test program remaining. In addition, Arctic and Tropic tests have not been completed.

Army witnesses were overly optimistic last year concerning this program and the Committee has not heard or read anything this year to convince it that this missile is ready for production. A total of \$8,900,000 of the fiscal year 1971 request has already failed Congressional authorization. Accordingly, the Committee has further reduced the fiscal year 1971 funding request by \$38,200,000, leaving \$43,200,000 in the budget to cover costs stretching out the fiscal years 1969 and 1970 programs, and permitting limited fiscal year 1971 production when all test flight objectives are successfully demonstrated.

NIKE-HERCULES MODIFICATIONS

The \$11,000,000 request for Nike-Hercules modifications has been reduced by \$8,000,000. The Army had scheduled the phase out in fiscal year 1970 of 23 Nike-Hercules batteries which will not require modifications. Since Congress provided \$19,200,000 for this purpose in fiscal year 1970, the fiscal year 1971 request can be safely reduced by the amount recommended by the Committee.

XMGM-52 LANCE MISSILE

The Army requested \$30,800,000 for the initial procurement of the XMGM-52 Lance surface-to-surface missile. A total of \$82,500,000 will be required to complete the Lance research and development program, including initiation of engineering and service tests, which will last about one year, as well as completing the development of the propulsion unit and warhead sections. At the time of our hearings, the contractor had completed only seven flight tests. The Atomic Energy Commission advised the Army that it could not support the nuclear warhead development schedule, and there is no conventional warhead for Lance in being or under development.

In view of the excessive concurrency in the program as well as the significant amount of contractor and Army testing to be done, it is quite apparent this missile is not ready for production. Accordingly, the Committee recommends that the \$30,800,000 request be deferred.

LANCE MODIFICATIONS

In view of the Committee recommendation to defer Lance production, the \$3,000,000 requested to modify basic Lance launchers to accept the new extended range Lance can wait until next year. Therefore, it is recommended that the \$3,000,000 for Lance modifications be deleted from the fiscal year 1971 budget.

PERSHING MODIFICATIONS

The Army request of \$12,800,000 for Pershing modifications included \$2,500,000 to correct unknown deficiencies which "may result from testing and troop use during fiscal year 1971." Because of the

nonspecific nature of this request, the Committee believes these funds will not be required this fiscal year, and it recommended that the request of \$2,500,000 for this purpose be denied.

LAND COMBAT SUPPORT SYSTEM

The Committee recommends deletion of the \$28,800,000 requested to buy additional sets of the Land Combat Support System, which is used to test guidance and control components of the Shillelagh, TOW, and Lance missiles, and ultimately the Dragon missile.

The Army has procured over half of its total requirement for these equipments before completing engineering and service tests. Over \$4,000,000 will now be required through fiscal year 1971 to correct deficiencies. TOW adaptation tests will not be completed until fiscal year 1971, and there will be no immediate requirement for Lance. The Committee action, therefore, is based on the fact there are sufficient assets now on hand to accommodate Shillelagh and TOW.

MISSILE REPAIR PARTS AND SUPPORT MATERIEL

The \$38,500,000 requested for missile spares and repair parts is reduced by \$10,800,000 as a result of Committee recommendations involving the Lance missile and the Land Combat Support System. The reduction was applied against the initial provisioning spare funding requests of \$1,100,000 for Lance, and \$9,700,000 for the Land Combat Support System.

WEAPONS AND COMBAT VEHICLES

M577A1 COMMAND POST CARRIERS

The Army request of \$12,000,000 for 315 additional M577A1 tracked Command Post carriers is reduced by \$9,200,000. The fiscal year 1971 request was a proposed buyout of this item. The Army has reached a significant percentage of its inventory objective, there are large quantities stored in mobilization reserve, and these vehicles are currently in long supply in Southeast Asia. The Committee has provided \$2,800,000 in the fiscal year 1971 budget for termination costs.

M203 40MM GRENADE LAUNCHERS

The 5,300,000 requested for M203 40mm grenade launchers is reduced by \$2,000,000, which is the amount that will be saved by the Army in awarding a multiyear production contract for this item.

TACTICAL AND SUPPORT VEHICLES

M151 1/4-TON TRUCK (JEEP)

The Army requested \$41,300,000 for 11,772 M151 1/4-ton trucks (Jeeps). Congress has funded 45,000 of these vehicles in the last three fiscal years. Since 1962, a large percentage of these vehicles were "washed out" of the inventory in favor of depot overhaul, even when an engine required repairs beyond the capability of general support

maintenance facilities. From March 1968 to April 1970, only 702 Jeeps had been sold as surplus through the General Services Administration.

During 1970, the Army established a new Jeep maintenance overhaul policy which will increase retention rates to 50,000 miles usage or eight years of age. Fiscal year 1970 ended the existing multiyear contract, and estimated losses for that fiscal year will be approximately 5,000 less than the fiscal year 1968 and 1969 experience. For these reasons, the Committee recommends a reduction of \$17,300,000 in the Army request.

XM-705 1½-TON TRUCK

The Army has requested \$28,800,000 for the procurement of 3,452 XM-705 1½-ton trucks. Congress funded an initial buy in fiscal year 1970 of 473 such trucks, 43 of which will be used for the equivalent of an Army engineering and service test, to begin in April 1971 and to be completed in the Fall of 1971. Contractor prototype tests were to begin in August 1970 and are scheduled to be completed in February 1971. Environmental tests are to be completed in the Spring of 1972. Since this truck is being developed and produced under a total package procurement contract, the Army must exercise the option for the fiscal year 1971 buy in March 1971, one month after contractor prototype tests and before any Army tests begin.

During 1970, the Army signed a letter contract with another firm to test a modified M-715 truck the Army had been buying to determine how well it will meet the qualitative materiel requirement under which the XM-705 truck is being developed, and whether or not procurement of the modified M-715 truck in lieu of the XM-705 truck would result in cost savings sufficient to justify a relaxation of the qualitative materiel requirement. The M-37 truck, which will be replaced by the XM-705, cost about \$3,800 each; the M-715 interim truck will cost approximately \$4,400 each. The XM-705 truck will cost about \$5,400 each.

The Committee has requested its investigative staff to review the overall Army truck program. A preliminary evaluation by our investigative staff indicates that the XM-705 development represents a questionable use of significant RDT&E funds when viewed against certain Army regulations, and there is also a question of whether or not the contract definition procedure should have been used for this program, particularly since only one proposal was received.

The XM-705 development grew out of an original requirement for an austere vehicle that was not intended to be organic to units charged with ground gaining or fire support missions and had an objective unit cost of \$4,200; the presently proposed XM-705 vehicle is to achieve a degree of mobility commensurate with that of a combat vehicle in both operational and support missions. An Army official advised that the modified M-715 should be a proven vehicle that will meet maintainability, reliability, and durability requirements proposed for the Army's 1½-ton truck. The qualitative materiel requirement considered a unit cost objective of \$4,200 as being attainable provided unnecessary technical features, over-refinement, and excessive durability are eliminated. The modified M-715 appears to more nearly approach this objective, whereas the XM-705 truck may be over-engineered and excessively "gold plated".

For the foregoing reasons, the Committee recommends deletion of the \$28,800,000 being requested, which will defer the production

decision until appropriate Army testing of the XM-705 truck is completed and the modified M-715 is evaluated.

It is recognized this action may have the effect of terminating the total package procurement contract, unless the contractor is willing to provide additional time for the Government to complete these evaluations. At any rate, since the Army purchased about 30,000 of the M-715 truck in a relatively short period of time, it would appear that cost savings realized from going to a more austere truck would more than offset termination costs.

In the meantime, the Committee will have had an opportunity to benefit from its overall Army truck study in addressing fiscal year 1972 Army requirements for tactical and support vehicles.

REPAIR PARTS AND SUPPORT VEHICLES

The Committee recommends a reduction of \$1,100,000 in initial provisioning spares for the XM-705 in consonance with the overall recommended reduction to that truck program.

COMMUNICATIONS AND ELECTRONICS EQUIPMENT

SATELLITE COMMUNICATIONS

The Committee recommends a reduction of \$2,700,000 from the \$17,500,000 requested for Satellite Communications ground terminal equipment due to a realignment of this program.

AN/TDQ-T1 TRAINER SET—AN/TRR-31 RECEIVER

The Committee has also deleted the \$1,600,000 requested for an AN/TDQ-T1 Large Area Radiation Trainer Set and the \$1,900,000 requested for the AN/TRR-31 All Band Receiver because of slippages in the test programs for these equipments.

TACTICAL FIRE DIRECTION SYSTEM (TACFIRE)

The Army requested \$14,000,000 for production of the Tactical Fire Direction System (TACFIRE), plus \$3,500,000 in advance procurement funds for the fiscal year 1972 buy. This proposed procurement is motivated to a great extent by the fact that TACFIRE is being developed under a total package procurement contract. The production decision must be made in May 1971 at which time Army engineering and service tests will not be completed.

The Committee envisions serious problems with this contract as presently constituted. Already there is a dispute with the contractor over the method used to compute incentives, and the Army intends to restructure the contract in order to provide for a production incentive, the elimination of the existing contract penalty for the contractor's failure to deliver the first production system, plus 13 other items proposed by the contractor. If the Army intends to restructure the contract to the contractor's advantage, there is no reason why the Army cannot trade-off a few months' deferment of the production decision until completion of the test program and an overall evaluation of the system can be made. Accordingly, the Committee directs

that production be deferred until fiscal year 1972. Any necessary portion of the \$14,000,000 requested for production may be used by the Army to maintain development continuity until next year.

RATAC FIELD ARTILLERY RADAR

The Committee denies the requested \$4,000,000 to buy eight RATAC Field Artillery Radar Sets. The Army has already reprogrammed \$8,300,000 of fiscal year 1970 funds to buy 16 sets under a letter contract, and will buy six more sets with \$2,800,000 in fiscal year 1971 R.D.T. & E. funds. Army engineering and service tests will not be completed until fiscal year 1972 and Standard A type classification is not scheduled until fiscal year 1973. The proposed fiscal year 1971 buy should be deferred until the Army completes its testing program.

SU-50 ELECTRONIC BINOCULAR

The Committee recommends deletion of the \$2,400,000 requested to buy the SU-50 Electronic Binocular because this equipment failed engineering and service tests. The proposed procurement program will slip to fiscal year 1972 or 1973.

OTHER SUPPORT EQUIPMENT

DITCHING MACHINES

The Committee recommends deletion of the \$1,400,000 requested for 31 ditching machines because the Army has already reprogrammed fiscal year 1970 funds in order to exercise a contract option in a timely manner, thereby obtaining a reduced price.

LANDING CRAFT

The \$9,600,000 requested for LCM and LCU landing craft is denied. These craft were originally placed in the budget for the LOC/Port Plan, but they are no longer required for that purpose. In addition, the Army is in long supply of landing craft in Southeast Asia.

CALIBRATION SET MODIFICATIONS

The Committee recommends a reduction of \$1,900,000 from the \$8,800,000 requested for calibration set modifications. Subsequent to the budget submission, the Army increased the fiscal year 1970 program by \$1,900,000 in order to update equipment previously deferred.

AMMUNITION

XM-483 155MM AMMUNITION

The Committee recommends deferral of the \$11,400,000 requested to buy 37,000 rounds of XM-483 155mm ammunition. This action is based on the fact this round failed Army engineering and service tests. Further tests are required to correct fuze malfunctions which caused erratic ranges.

SECTION 642, PUBLIC LAW 91-171

The Congress failed to authorize \$12,400,000 of the budget authority request. This amount is part of \$25,000,000 which was proposed by the Army for rescission under Section 642 of Public Law 91-171. The entire \$25,000,000 was not in the procurement authorization request to Congress. Consequently, the Committee recommends a reduction of an additional \$12,600,000 to the budget authority request. The Army is requested to use a like amount in prior year balances proposed for rescission to offset the reduction.

PROCUREMENT OF AIRCRAFT AND MISSILES, NAVY

| | |
|------------------------------|--------------------|
| Appropriation, 1970----- | \$2, 621, 705, 547 |
| Estimate, 1971----- | 3, 427, 700, 000 |
| Recommended in the bill----- | 3, 005, 800, 000 |
| Reduction ----- | 421, 900, 000 |

This appropriation finances the procurement of aircraft, missiles, and associated support equipment for Navy forces and Marine Corps air wings. It also provides funds for modification of in-service aircraft and missiles to eliminate safety hazards and enhance operational effectiveness. Drones and major flight and maintenance trainers are also included, as well as repairable spare and repair parts for all end items procured under this appropriation. Funds are also included to finance procurement of items in support of the planned subsequent year buy program. These items must be procured in advance due to production leadtime considerations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,005,800,000, a reduction of \$421,900,000 below the budget authority estimate, and \$384,094,453 above the appropriation for fiscal year 1970. The reduction includes \$78,600,000 which failed authorization of Congress and an additional reduction of \$343,300,000 recommended by the Committee.

The appropriation provided will fund the procurement of six different fixed-wing combat aircraft, including the new F-14A fighter, as well as the UH-1N Iroquois helicopter, the P-3C Orion antisubmarine patrol aircraft, and two separate trainer aircraft, plus modifications to inventory aircraft. In addition, funds were made available for significant quantities of seven different missiles, including the POSEIDON, as well as missile modifications.

PRIOR CONGRESSIONAL ACTION

The \$78,600,000 which failed Congressional authorization includes reductions of \$28,900,000 in the Condor missile program, and \$6,700,000 in the planned AIM-7F Sparrow missile buy. The remaining reduction of \$43,000,000 involved financial adjustments in recoupment of prior year balances predicated upon Section 642 of Public Law 91-171.

AIRCRAFT

A-6E INTRUDER AIRCRAFT

The budget requested \$112,500,000 for 12 A-6E Intruder attack aircraft, plus \$3,600,000 in advance procurement funds for the planned fiscal year 1972 buy. The Navy will not complete flight testing the new avionics subsystem for this aircraft until December 1970, and will not complete the technical/operational evaluation and Board of Inspection and Survey trials until several months beyond that date. Congress funded 12 aircraft in fiscal year 1970, and all 12 will not be delivered until the last five months of 1971. The Committee, therefore, recommends funding only six aircraft in fiscal year 1971 at a cost of \$72,500,000, making a reduction of \$40,000,000 in the Navy request. This action, when combined with the fiscal year 1970 program, will permit a one-per-month delivery schedule and bring aircraft deliveries more in line with the avionics subsystem test program.

AV-8A HARRIER V/STOL AIRCRAFT

The budget requested \$96,200,000 for procurement in the United States of 18 AV-8A Harrier V/STOL aircraft, plus \$6,900,000 in advance procurement funds for the proposed fiscal year 1972 buy program. As discussed earlier in this report (see page 60), the decision to produce this aircraft in the United States increased the cost of this program by \$238,500,000, or about 62 percent, making the Harrier less attractive from a cost standpoint. Of greater significance, however, is the fact that Harrier is one of three new separate close air support aircraft in this budget. The Secretary of Defense has been requested to reevaluate these requests.

In the interim, the Committee directs that the 18 aircraft in the budget be procured from the United Kingdom, thus providing the Marines with a full squadron of Harriers at an earlier date, plus a quantity of aircraft for training and attrition. Because this method of procurement will require fewer funds and since Congress has already authorized the reprogramming of \$8,000,000 in fiscal year 1970 resources, the Committee recommends a reduction of \$32,200,000 in the fiscal year 1971 request. This action will make available a total of \$72,000,000 for the fiscal year 1971 buy, plus the amount requested for initial provisioning spares.

S-3A ANTISUBMARINE AIRCRAFT

The budget requested \$79,000,000 for two S-3A carrier-based antisubmarine aircraft, plus \$22,700,000 in advance procurement funds for the fiscal year 1972 buy. The development contract was signed in August 1969, and the Navy proposes to enter production one year later. First flight by the contractor is not scheduled until 1972. The avionics and engines for these two aircraft are being developed under the RDT&E budget, and Navy witnesses admitted in hearings that there is a risk in the development of the avionics subsystem.

The Navy production proposal represents concurrency with the development program to an unreasonable degree, and is contrary to the "fly before buy" concept embraced by the Secretary of Defense. For these reasons, the Committee has deleted the \$79,000,000 for production, maintaining this aircraft in RDT&E. Since the RDT&E program need not be fully funded, the Committee recommends an add-on of only \$58,000,000 to the Navy RDT&E budget.

E-2C HAWKEYE AIRCRAFT

The Navy proposes to initiate production of the E-2C Early Warning aircraft by requesting \$92,300,000 for three such aircraft, plus \$20,000,000 in advance procurement funds for additional aircraft in fiscal year 1972. This aircraft development began in June 1968, but the avionics subsystem development was initiated only during fiscal year 1970. There is a fiscal year 1971 request for \$47,700,000 to continue work on the latter equipment. A development study of the ASQ equipment was to have been conducted during the last fiscal year. This aircraft production proposal is another example of excessive concurrency between development and production.

Currently, 51 E-2A aircraft will be modified to the E-2B configuration, providing them with increased early warning capability. Under the proposed Navy plan, all the E-2C aircraft would have been delivered several years before the projected useful life of the E-2B aircraft. There is, therefore, no valid urgency to initiate production of this aircraft before completing development and testing of the avionics subsystems. Accordingly, the Committee recommends deferring the \$92,300,000 request until fiscal year 1972. The Navy has recently reprogrammed funds for three additional EA-6B electronic warfare aircraft for the fiscal year 1970 program, and for this reason, the Committee action on the E-2C aircraft will not cause plant loading problems at the contractor's facility and thus should not result in added costs to other aircraft programs.

MODIFICATION OF AIRCRAFT

A-6 AIRCRAFT

The Committee recommends deletion of \$6,000,000 requested to modify eight A-6 aircraft for the Condor missile research and development test program. This is a requirement which should more properly be funded with research and development funds, and it is recommended that this amount be absorbed in the Navy RDT&E budget.

F-4 AIRCRAFT

The \$1,100,000 requested to modify the F-4 to accept the AIM-7F Sparrow III missile is deleted because of the Committee recommendation to defer production of that missile, discussed on page 71 of this report.

AIRCRAFT SPARES AND REPAIR PARTS

Because of reductions made in certain aircraft production programs, the initial provisioning funds for those aircraft can be reduced a total of \$14,200,000, including a reduction of \$5,700,000 for the A-6E, and \$8,500,000 for the F-2C.

COMMON GROUND EQUIPMENT

In view of the reductions recommended in the S-3A and E-2C aircraft programs, the \$43,400,000 for VAST equipment for these aircraft will not be required. The cut, as applied, was \$34,400,000 for the S-3A and \$9,000,000 for the E-2C.

MISSILES

AIM-7E/F SPARROW MISSILE

The budget requested \$52,700,000 to buy quantities of both the AIM-7E and AIM-7F Sparrow III air-to-air missile. Testimony received this year clearly indicates that the AIM-7F model is not ready for production.

At the time of our hearings, the funds provided in fiscal year 1970 for the AIM-7F were not yet placed on contract. The contractor had completed only seven test firings, not all successful, and there are at least 63 missiles scheduled in the overall contractor/Navy flight test programs. The Air Force did not consider the AIM-7F to be ready for procurement and there are none in the Air Force fiscal year 1971 budget.

The Navy has significant quantities of AIM-7Es and AIM-7E-2s in its inventory and on order at the present time. Accordingly, the Committee allows \$23,100,000 to buy only the AIM-7E-2 version of Sparrow this fiscal year, and recommends deferral of the fiscal year 1971 AIM-7F buy, thereby reducing the overall request by \$23,300,000, which is in addition to the \$6,700,000 which failed authorization of Congress. The funds appropriated for the AIM-7F in fiscal year 1970 will provide sufficient quantities for Navy evaluation of the missile.

TECHNICAL ENGINEERING SUPPORT

During the course of Operation and Maintenance hearings (page 418 of Part 3), the Committee was advised that the Navy has a total of \$76,148,000 in the fiscal year 1971 PAMN budget for technical engineering support contracts. This area was the subject of a study by our investigative staff this year. The fiscal year 1970 level was only \$52,473,000. The Committee considers the total amount of the increase is not justified. Accordingly, the fiscal year 1971 request is reduced by \$11,800,000 which represents about one-half of the increase.

SECTION 642, PUBLIC LAW 91-171

Congress failed to authorize \$43,000,000 which was the same amount proposed by the Navy in its budget authority request to be rescinded under Section 642 of Public Law 91-171. The amount proposed for rescission is to be used by the Navy to offset the amount failing authorization, and requires no specific action by this Committee.

SHIPBUILDING AND CONVERSION, NAVY

| | |
|------------------------------|-----------------|
| Appropriation, 1970----- | \$2,495,899,014 |
| Estimate, 1971----- | 2,578,900,000 |
| Recommended in the bill----- | 2,694,400,000 |
| Increase ----- | 115,500,000 |

This appropriation finances the construction of new ships and the conversion of existing ships, including all hull, mechanical and electrical equipment, electronics, guns, torpedo and missile launching systems, and communications systems. It also finances procurement of long lead-time items for ships for which authorization will be required in the 1972 and 1973 programs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,694,400,000, an increase of \$115,500,000 above the budget authority estimate, and \$198,500,986 above the appropriation for fiscal year 1970.

For fiscal year 1971, the budget requested funds for 14 new ships, a quantity of service craft, plus conversion of 15 other ships. The Committee has recommended an appropriation to fund the entire budget authority request. In new ship construction, provision has been made for three SSN-688 class nuclear attack submarines, one DLGN-38 class nuclear frigate, six DD-963 class destroyers, two LHA general purpose amphibious assault ships, and two AGOR oceanographic research ships. The service craft funding includes 12 large harbor tugs and four fuel barges. In conversions, the Committee has recommended appropriations for six SSBN nuclear submarine conversions from the POLARIS to the POSEIDON configuration, one DLG-6 class frigate conversion, three DLG-16 class conversions, and five MSO ocean minesweeper conversions.

PRIOR CONGRESSIONAL ACTION

Congress authorized a total of \$435,000,000 above the President's budget authority request for shipbuilding and conversion. However, another \$302,000,000 of the new budget obligational authority in the President's budget request failed authorization, for a net increase of \$133,000,000.

The total Congressional authorization add-on included \$166,000,000 for another SSN-688 class nuclear submarine, \$22,500,000 in advance procurement for a fifth SSN-688 class nuclear submarine next fiscal year, \$102,000,000 for an AS submarine tender, \$103,000,000 for an AD destroyer tender, \$7,500,000 for two AGOR oceanographic research ships, \$10,000,000 for 16 LCA assault landing craft, and \$24,000,000 for various service craft, including two ARDM medium auxiliary repair drydock conversions, 4 YP patrol craft, and 4 YTB large harbor tugs. The total failing authorization included \$152,000,000 in advanced procurement funding for the CVAN-70 nuclear attack aircraft carrier, and financing adjustments of \$150,000,000 involving prior year balances brought about by Section 642 of Public Law 91-171.

CONGRESSIONAL BUDGET ADD-ONS

The Committee has always been sympathetic to the needs of the Navy and wholly endorses the absolute necessity to modernize our aging fleet. It is not completely convinced, however, that the answer lies in numbers of ships alone. The Committee was advised this year that the Chief of Naval Operations is committed to a modern, quality Navy, but not one based solely upon replacing ships on a

one-for-one basis. And it is not convincingly clear that money alone will solve the Navy's shipbuilding program dilemma. At the same time, the needs of the Navy must be balanced against other Defense priorities and requirements, which is the responsibility of the President.

Congress has not been unmindful of the needs of the fleet, and has provided significant appropriations over the years to modernize and replace aging ships. However, not all of those funds have resulted in the modernization we hoped to achieve. For example, since fiscal year 1961, Congress has authorized and appropriated over \$1,600,000,000 for a total of 71 new ships and ship conversions, which the Navy itself has cancelled for one reason or another. This, of course, has not all been because of poor management on the part of the Navy. Nevertheless, ships are continually being delivered to the fleet with spaces left for some of the equipment originally designed for them. This situation can be attributed in part to mismanagement and poor planning. There are or will be over 50 ships falling into this category during the last seven fiscal years, and this includes ships funded in fiscal year 1970.

Significant cost increases will continue to exist in the foreseeable future, even for ships in the fiscal year 1970 program, according to testimony received this year. Congress funded 14 new ships and 15 conversions in fiscal year 1970, but the Navy will be able to build only 10 new ships and complete 10 conversions with the appropriations provided. While inflation has played a major role in contributing to this problem, there must be improvements made in Navy cost estimating for shipbuilding programs submitted to Congress. For example, the Navy is yet unable to estimate for the Committee what the nuclear attack carriers USS NIMITZ and USS EISENHOWER will ultimately cost, except that they will cost in excess of the funds already appropriated by Congress. The Committee regrets to report that it estimates an escalation in price for these ships totalling tens of millions of dollars. The cost of each of these carriers may exceed \$600,000,000, based on the \$640,000,000 estimated cost of the CVAN-70 carrier. By comparison, the USS NIMITZ was to have cost \$427,500,000 and the USS EISENHOWER was to have cost \$519,000,000, according to estimates originally provided by the Navy.

The requests for appropriations since fiscal year 1969 at an average of about \$200,000,000 a year to fund claims and cost growth, in addition to the history of canceling new ship construction, are stark reminders of why the Navy does not have the degree of fleet modernization that Congress had funded. The Committee is firmly convinced that what is needed, therefore, is an immediate, energetic, and concentrated effort to improve the planning and management of the ship building and conversion program of the Navy, rather than continuing to add funds above the President's budget. Additional money for more ships does not improve management. The Committee has funded most of the Congressional add-ons, with the admonition that better management of ship construction is mandatory. It is expected, therefore, that in the immediate future the Navy will clearly demonstrate to Congress a capability to properly manage the shipbuilding funds provided.

By the end of fiscal year 1970, the Navy had an inventory of 761 ships. There are a total of 159 ships under new construction or conversion. Of this total, 53 new ships are scheduled for delivery during fiscal year 1971.

The Committee has recommended the following with respect to the Congressional add-ons.

SSN-688 NUCLEAR ATTACK SUBMARINE

The budget requested \$430,500,000 for construction of three new high-speed SSN-688 class nuclear attack submarines, plus \$45,000,000 in advance procurement funds for two more. Thus, the Navy will have advance procurement funds available for 4 new submarines in fiscal year 1972. Congress authorized \$166,000,000 for construction of a fourth new submarine in fiscal year 1971, plus \$22,500,000 in advance procurement funds for a fifth new submarine in the fiscal year 1972 program. The Committee has always strongly supported the nuclear attack submarine program, and has recommended an appropriation of \$664,000,000, the total amount authorized by Congress.

AS SUBMARINE TENDER

Congress authorized \$102,000,000 above the President's budget authority request for construction of a new AS submarine tender. The Committee supports funding of a new tender and recommends the appropriation of \$102,000,000 for this purpose.

AD DESTROYER TENDER

Congress additionally authorized \$103,000,000 over the President's budget authority request for the construction of a new AD destroyer tender. Congress authorized and appropriated funds for a new destroyer tender in the fiscal year 1966 program and another one in the fiscal year 1969 program. In both instances, the planned construction of these tenders was cancelled by the Navy and the funds diverted for other purposes. The Navy will need modern tenders to complement its latest DD-963 class destroyers. The Committee recommends that the destroyer tender be funded.

AGOR OCEANOGRAPHIC RESEARCH SHIPS

The Navy requested \$7,300,000 in fiscal year 1971 for two new AGOR oceanographic research ships, which will be bailed to universities. In addition, the Congress authorized an additional \$7,500,000 above the President's budget authority request for two other AGORs, one for the Postgraduate School and one for a Navy laboratory. The Navy currently has 37 other oceanographic research ships in its inventory, under construction, or under conversion, in addition to various submersibles being leased. While the Committee has continually supported a strong Navy oceanographic research program, it fails to

see the urgency to fund four oceanographic ships this year. The postponement of construction of the two unbudgeted AGORs appears to be appropriate. Therefore, the Committee has decided not to fund the AGOR ship add-on, but has recommended the appropriation of \$7,300,000 for the two such ships in the President's budget.

SERVICE CRAFT

The Navy requested \$15,600,000 for 12 YTB large harbor tugs and four fuel barges. In addition, Congress authorized an additional \$24,000,000 for four more YTB large harbor tugs, four YP patrol craft, and conversion of two ARDM medium auxiliary repair drydocks. The Committee recommends that the \$24,000,000 authorized above the President's budget for service craft be funded.

LANDING CRAFT

The Committee is of the opinion that the 16 LCA assault landing craft authorized by Congress above the President's budget authority request are not of sufficient urgency that it need be funded this year. Consequently, the Committee recommends against funding the \$10,000,000 authorized for this purpose.

SUMMARY

The Committee has recommended the appropriation of funds necessary to carry out the Navy shipbuilding and conversion program as contained in the President's budget authority request, with the exception of the \$150,000,000 in financial adjustments involving prior year balances brought about by Section 642 of Public Law 91-171, and \$152,000,000 in advanced procurement funds for the CVAN-70. These funds failed authorization of Congress. The Committee also recommends funding \$417,500,000 of the \$435,000,000 authorized above the President's budget authority request.

OTHER PROCUREMENT, NAVY

| | |
|------------------------------|-----------------|
| Appropriation, 1970----- | \$1,488,890,990 |
| Estimate, 1971----- | 1,541,400,000 |
| Recommended in the bill----- | 1,443,400,000 |
| Reduction ----- | 98,000,000 |

This appropriation funds the procurement of major weapons and equipment other than aircraft, missiles, and ships. Such equipments range from the latest electronic sensors and weapons to update naval forces, to trucks, training equipment, and spare parts. Also included is the cost associated with the installation of ship and shore equipment. Substantial quantities of expendable items, such as air- and ship-launched ordnance, are programed under this appropriation.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,443,400,000, a reduction of \$98,000,000 below the budget authority estimate, and \$45,490,990 below the appropriation for fiscal year 1970.

The appropriation provided will fund almost \$500,000,000 worth of ship support equipment, over \$200,000,000 in communications and electronics equipment, approximately \$300,000,000 in aviation support equipment, over \$350,000,000 worth of ordnance support equipment, and almost \$80,000,000 in civil engineering support equipment, supply support equipment, and personnel and command support equipment.

SHIP SUPPORT EQUIPMENT

TYPE 18 PERISCOPES

The budget requests \$3,800,000 in fiscal year 1971 for a quantity of type 18 periscopes. Congress funded \$4,600,000 for this purpose in fiscal year 1970, but the Navy did not buy them and reprogrammed the funds. The Navy is still experiencing interface and other development problems with this equipment. The Committee does not believe these periscopes are ready for procurement and recommends against funding them this year.

SHIP ALTERATIONS

The Ship Alteration portion of this budget requests \$4,900,000 for installation of the SHORTSTOP electronic warfare system in a frigate. The SHORTSTOP system is still under development and the Navy has been experiencing serious development problems. The Committee believes further development and controlled testing of this equipment will be required before installing SHORTSTOP in a Navy ship for evaluation. For this reason, the Committee has reduced the Ship Alteration request by \$4,900,000.

COMMUNICATIONS AND ELECTRONICS EQUIPMENT

AN/SPS-40 RADAR SETS

The Navy has again requested \$3,800,000 to improve AN/SPS-40 radar sets. The funds appropriated by Congress in fiscal years 1969 and 1970 have been reprogrammed to higher priority programs. Since the Navy appears to be using this request as a reprogramming fund, the Committee recommends against funding the \$3,800,000 request for fiscal year 1971.

AVIATION SUPPORT EQUIPMENT

CBU-55/B CLUSTER BOMBS

The budget requests \$11,500,000 for 4,800 additional CBU-55/B fuel air explosive cluster bombs in fiscal year 1971. Congress funded a total of 6,400 units in fiscal years 1969 and 1970. The Navy prematurely entered production on these bombs and has not yet corrected all problems encountered. Only 2,100 weapons are required to prove the producibility of these weapons, and more than enough funds for this purpose have been appropriated by Congress. As our investigative staff had determined, there are 17 different cluster bombs, including three of the fuel air explosive types, in the military inventory. Under

the circumstances, there appears to be little urgency to step up production of this weapon until all deficiencies are corrected. The Committee, therefore, recommends that the fiscal year 1971 buy be deferred and has denied the request for \$11,500,000.

WALLEYE

The budget requested \$3,500,000 in fiscal year 1971 for Walleye. In April 1970, the Deputy Secretary of Defense cancelled Walleye II production, directed that Walleye Is be converted to Walleye IIs, and when Navy assets of Walleye are depleted, the Navy is to procure an Air Force developed weapon. For this reason, the Committee denies the \$3,500,000 requested for Walleye.

DEFENSE COMMUNICATIONS PLANNING GROUP

The Committee recommends an \$8,000,000 reduction in the \$18,600,000 requested in fiscal year 1971 for Defense Communications Planning Group. This reduction results from a reduced cost and increased life of the equipment bought under this program.

ORDNANCE SUPPORT EQUIPMENT

MK-46 TORPEDO

In fiscal year 1970, Congress funded \$64,200,000 for 1,160 MK-46 torpedoes. Subsequently, the Navy reduce this amount to \$50,200,000 for only 600 torpedoes. During hearings, the Committee was advised that the Navy has now decided that fiscal year 1969 program would represent a buy out of this torpedo. The fiscal year 1971 budget contains a request of \$14,500,000 which was to be used to proof the proposed fiscal year 1970 buy, which will not now be made. Therefore, the Committee denies the \$14,500,000 request. The remaining funds available should be more than enough for contract termination costs and proofing the fiscal year 1969 production torpedoes.

MK-48 TORPEDO

The fiscal year 1971 budget request for the MK-48 torpedo totals \$110,600,000. The Navy proposes to use these funds to buy quantities of both the Mod-0 (single purpose) and Mod-1 (dual purpose) versions of this torpedo, plus the conversion of a small quantity of Mod-0 torpedoes to the Mod-2 (dual purpose) version. The fiscal year 1969 program of \$106,900,000 was to be used to buy 40 preproduction Mod-1 torpedoes and 52 production Mod-0 torpedoes. There has been considerable turbulence and numerous slippages in this program, resulting in significant cost increases. Whether the proposed fiscal year 1970 buy of Mod-0 torpedoes should be made is highly questionable. Because of the program delays and the fact that one-third of the fiscal year has passed, the Committee recommends a reduction of \$30,000,000 in the fiscal year 1971 request. A like amount in the unobligated fiscal year 1970 program for the Mod-0 version can be used by the Navy to offset this reduction. This will provide the Navy with sufficient quantities of Mod-0, Mod-1, and Mod-2 torpedoes for testing and evaluation.

SECTION 642, PUBLIC LAW 91-171

The budget proposed the rescission of \$18,000,000 in prior year balances which will not be obligated until after fiscal year 1971 in accordance with Section 642 of Public Law 91-171. The Committee recommends that the \$18,000,000 in old balances proposed for rescission be utilized by the Navy as an offset to new budget obligational authority required in fiscal year 1971. Thus, the Committee recommendation will reduce the Navy fiscal year 1971 budget authority request for this appropriation by a total of \$18,000,000.

PROCUREMENT, MARINE CORPS

| | |
|------------------------------|---------------|
| Appropriation, 1970----- | \$500,848,000 |
| Estimate, 1971----- | 200,000,000 |
| Recommended in the bill----- | 171,700,000 |
| Reduction----- | 28,300,000 |

This appropriation provides the Marine Corps with weapons, ammunition, and related equipments, most of which are for use by Marine general purpose forces such as Marine divisions and tank and amphibious battalions. Such military hardware and munitions equip the Marine Corps for the defense of advanced naval bases, for limited war landing operations, and for general land warfare.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$171,700,000, a reduction of \$28,300,000 below the budget authority estimate, and \$329,148,000 below the appropriation for fiscal year 1970. The reduction includes \$16,100,000 which failed authorization by Congress and an additional reduction of \$12,200,000 recommended by the Committee.

The appropriations provided will fund the procurement of about \$100,000,000 in ammunition, quantities of a new family of amphibious tractors, weapons, communications and electronic equipment, support vehicles, as well as engineer and other equipment.

PRIOR CONGRESSIONAL ACTION

The \$16,100,000 of the Procurement, Marine Corps budget authority request which failed Congressional authorization includes a reduction of \$14,800,000 in the Improved Hawk missile program, and \$1,300,000 in the planned procurement of the LVTP-7 training device.

SUPPORT VEHICLES

XM-705 11¼-TON TRUCK

For fiscal year 1971, the Marine Corps has requested \$4,200,000 to buy 500 of the Army's XM-705 11¼-ton truck. In view of the Committee's recommendation on the Army program, the Marine Corps request to fund this truck in fiscal year 1971 is denied.

SECTION 642 OF PUBLIC LAW 91-171

The Committee recommends a reduction in the overall Marine Corps fiscal year 1971 request by an additional \$8,000,000. The \$8,000,000 of prior year balances, which were proposed for rescission under Section

642 of Public Law 91-171, should be used to offset this reduction in the fiscal year 1971 budget request.

AIRCRAFT PROCUREMENT, AIR FORCE

| | |
|------------------------------|--------------------|
| Appropriation, 1970----- | \$3, 405, 800, 000 |
| Estimate, 1971----- | 3, 314, 900, 000 |
| Recommended in the bill----- | 3, 203, 000, 000 |
| Reduction ----- | 111, 900, 000 |

This appropriation provides for the procurement of aircraft, modification of inservice aircraft, procurement of spare parts including engines and major components, and aircraft support equipment and facilities including aerospace ground equipment.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,203,000,000, a reduction of \$111,900,000 below the budget authority estimate, and \$202,800,000 below the appropriation for fiscal year 1970. The reduction includes \$59,400,000 which failed authorization of Congress and an additional reduction of \$52,500,000 recommended by the Committee.

The appropriation provided will permit the procurement of the last increment of F-111 aircraft, plus quantities of four other combat aircraft, including UH-1 helicopters, as well as three separate trainer aircraft, the U-17 observation aircraft, and the C-9A medical evacuation aircraft. Appropriations are also provided for prior year unfunded contract deficiencies as well as the contingency funding request for the C-5A aircraft.

PRIOR CONGRESSIONAL ACTION

The \$59,400,000 which failed Congressional authorization involved financial adjustments in the recoupment of prior year balances predicated upon Section 642 of Public Law 91-171.

COMBAT AIRCRAFT

F-111 AIRCRAFT

The budget requests \$283,000,000 for the procurement of up to 40 F-111F aircraft, and to defray the cost of inspecting and proof-testing the wing structure in the area that failed in December 1969, causing a fatal accident and the grounding of the F-111 fleet. A buyout of the F-111 in fiscal year 1971 is anticipated. There is also a budget request of \$200,500,000 for prior year overtarget costs. The Air Force recently advised the Committee that because of the proof-test costs and a unit cost increase caused by a reduction in the F-111 program, only 24 aircraft can be purchased with the balance of the \$283,000,000 requested. This will cause a reduction in the number of unit equipment aircraft in the wing. The Committee recommends appropriating the full F-111 request.

INTERNATIONAL FIGHTER AIRCRAFT

The fiscal year 1971 budget request includes \$30,000,000 for an international fighter aircraft to be provided certain Free World Forces to counter the Soviet MIG-21 threat. The Committee wishes to make it

abundantly clear that all the aircraft in the competition must be thoroughly and completely evaluated against the total MIG-21 threat, including its level of combat parameters and its maneuverability characteristics. It is expected that the aircraft best able to meet this total threat will be selected, with cost, maintenance, training, and other pertinent factors receiving appropriate consideration.

AIRLIFT AIRCRAFT

C-5A AIRCRAFT

The budget requests a total of \$544,400,000 in fiscal year 1971 for the C-5A aircraft program. Of that amount, \$344,400,000 is for prior year unfunded deficiencies. The remaining \$200,000,000 is to provide a reserve or contingency fund in order to assure production continuity until the dispute between Lockheed and the Air Force is resolved in the nature of a negotiated settlement, a loan, or some other form of interim financing. The \$200,000,000 is in excess of the amount required to fund the C-5A contract, and it is expected that another \$200,000,000 will be required for this purpose in fiscal year 1972.

The \$344,400,000 in prior year unfunded deficiencies includes \$47,900,000 for General Electric on the engine contract and \$277,800,000 for Lockheed. Of the \$277,800,000 total for Lockheed, \$127,100,000 will be used to adjust the ceiling under the repricing formula in the contract, and \$150,700,000 will be required to finance abnormal escalation in the program, also a contractual commitment.

The Committee has given its most serious and utmost consideration to the C-5A dilemma this year. We have held extensive hearings on the matter and subsequently have had a considerable number of meetings with Air Force and other Defense officials to discuss the problem. There appears to be no reasonable alternative available but to commit additional funds in some form to this program if we are to obtain the minimum number of 81 aircraft essential for our military airlift requirements.

The problem which still concerns the Committee, however, is the mechanics of resolving the issue, whether through the courts, by negotiated settlement, or otherwise. Department of Defense officials have yet to brief the Committee on their plans in this regard. It is imperative that any solution found must not only be in the best interests of the Air Force, but fair to the American taxpayer, and full assurances must be received that these funds will not be diverted to other military or commercial programs of the Lockheed Corporation.

The Committee, therefore, has recommended the appropriation of the full amount requested for the C-5A program. The \$200,000,000 in contingency funds, however, are not to be obligated until the appropriations committees of Congress are thoroughly briefed on the details of any resolution. It is expected that such notification will be made at least 30 days prior to the intended commitment or obligation of these funds. In other words, the language contained in the authorization legislation should also be applicable to the Appropriations Committees of the House and Senate.

OTHER AIRCRAFT

UH-1H IROQUOIS HELICOPTER

The Air Force has requested \$46,600,000 in fiscal year 1971 to buy 180 UH-1H Iroquois aircraft for South Vietnamese and Thai Air Forces. During hearings this year, the Committee was advised that subsequent to the submission of the budget request, the Air Force learned that the unit cost of this helicopter increased from \$259,000 to \$289,364, ostensibly leaving the Air Force with a deficit of about \$5,400,000 on the proposed buy of 180 helicopters.

Subsequent to our hearings, the Army advised the Committee of a decision to utilize overhauled engines in lieu of new engines in their new helicopter procurement program. This decision will result in a savings of at least \$58,000 per aircraft. When this saving is applied against the planned Air Force buy of 180 helicopters, a saving of approximately \$10,400,000 will be realized. For this reason, the Committee recommends a \$5,000,000 reduction in the Air Force request.

AIRCRAFT MODIFICATIONS

B-52/FB-111 AIRCRAFT

The fiscal year 1971 budget requests a total of \$107,000,000 to modify B-52 and FB-111 aircraft to accommodate the SRAM, pending a production go-ahead on the SRAM program. Of the total, \$92,500,000 is for B-52 modifications and \$14,500,000 is for FB-111 modifications.

The B-52 modification costs include \$8,000,000 for the AN/ALR-37 Radiating Site Target Acquisition System (RASTAS) which is experiencing development problems and should not be available this fiscal year for installation in B-52G/Hs. The Committee has recommended against funding this \$8,000,000.

In addition, because of the slippage and Committee decision on the SRAM program, all the SRAM-related modification request will not be required. The Committee, therefore, recommended an additional reduction of \$27,700,000, or a total reduction of \$35,700,000 to the B-52/FB-111 modification program.

AIRCRAFT SPARES AND REPAIR PARTS

F-111 AIRCRAFT

The fiscal year 1971 budget for Aircraft Spares and Repair Parts includes \$31,600,000 for initial investment spares for the F-111 aircraft. In view of the reduction in the proposed fiscal year 1971 buy of F-111F aircraft from 40 to only 24, the Committee recommends that \$11,800,000 be deleted from this request.

SECTION 642 OF PUBLIC LAW 91-171

The Congress failed to authorize \$59,400,000 which was the amount proposed by the Air Force for rescission under Section 642 of Public Law 91-171. The Committee endorses this action. Prior year balances

are to be used to offset that amount reduced in the fiscal year 1971 budget request.

MISSILE PROCUREMENT, AIR FORCE

| | |
|-------------------------------|-----------------|
| Appropriation, 1970 ----- | \$1,448,100,000 |
| Estimate, 1971 ----- | 1,530,600,000 |
| Recommended in the bill ----- | 1,372,300,000 |
| Reduction ----- | 158,300,000 |

This appropriation provides for procurement, modification, installation, and checkout of missiles, boosters, payloads, drones, and the associated ground support and checkout equipment. It also procures technical data, spares support, transportation, expansion and nonrecurring maintenance of industrial facilities, machine tool modernization, and classified project activities support.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,372,300,000, a reduction of \$158,300,000 below the budget authority estimate, and \$75,800,000 below the appropriation for fiscal year 1970. The reduction includes \$45,200,000 which failed authorization of Congress, and an additional reduction of \$113,100,000 recommended by the Committee.

The appropriations recommended will provide for the procurement of additional Minuteman ICBM missiles and quantities of three other missiles, including the Short Range Attack Missile (SRAM), as well as various target drones. Significant funds were made available also for missile modifications and updating of our Minuteman force.

PRIOR CONGRESSIONAL ACTION

The \$45,200,000 which failed Congressional authorization includes a reduction of \$21,900,000 in production funds for the Maverick missile, \$300,000 in funds for initial provisioning spares for Maverick, and \$9,000,000 in the AIM-4D Falcon missile modification program. The remaining reduction of \$14,000,000 involves financial adjustments in recoupment of prior year balances resulting from Section 642 of Public Law 91-171.

BALLISTIC MISSILES

OPERATIONAL BASE LAUNCH PROGRAM

The Committee recommends that the \$3,200,000 requested for the Operational Base Launch Program not be appropriated. The program envisions a demonstration launch of a Minuteman missile from an operational silo at Malmstrom Air Force Base, Montana, into the Pacific. While only one missile will be fired, a small number of crews will be chosen for the program and alerted. This fact alone diminishes somewhat the realism being sought.

Even though the planned line of flight selected for the missile will be across the northwestern portion of the United States and some 200 miles south of San Francisco, a corridor encompassing the least population density possible, it is believed that public reaction in and around the area affected would be too great. In addition, the Committee feels that the total cost of the program, much of it to enhance safety and to reduce the possibility of injury, does not justify the purpose of the program, namely, to prove to the general public that our Minuteman missiles do constitute a reliable and effective deterrent.

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The reliability and effectiveness of Minuteman has been proven repeatedly by SAC crew firings of operational missiles from Vandenberg Air Force Base.

OTHER MISSILES

AGM-69A SRAM

For fiscal year 1971, the budget requests \$99,500,000 for a production buy of AGM-69A SRAMS (Short Range Attack Missiles) for the B-52 and FB-111 aircraft. Slippages in this program have delayed considerably the flight tests of this missile, and the flight test program thus far has not demonstrated the degree of confidence necessary to justify a decision to enter production on this missile in any significant quantities. For this reason, the Committee recommends a reduction of \$49,500,000 in the Air Force request. The Air Force is directed, however, to notify the appropriate Committees of Congress prior to contractual obligation of the remaining \$50,000,000 recommended for appropriation, together with the status of the flight test program and the rationale for any production decision.

MISSILE SPARES AND REPAIR PARTS

The Committee recommends a reduction of \$5,400,000 in AGM-69A SRAM missile spares. This reduction is associated with the Committee recommendation concerning SRAM production.

SPECIAL ACTIVITIES

The Committee also recommends a reduction of \$55,000,000 in a classified project.

SECTION 642 OF PUBLIC LAW 91-171

The Committee embraces the action of the Congress in failing to authorize \$14,000,000, the amount proposed by the Air Force for rescission under Section 642 of Public Law 91-171. Prior year balances are to be used to offset a like amount reduced in the fiscal year 1971 budget request.

OTHER PROCUREMENT, AIR FORCE

| | |
|-------------------------|-----------------|
| Appropriation, 1970 | \$1,576,200,000 |
| Estimate, 1971 | 1,489,600,000 |
| Recommended in the bill | 1,381,200,000 |
| Reduction | 108,400,000 |

This appropriation provided for munitions and associated equipment, vehicular equipment, electronics and telecommunications equipment, and other base maintenance and support equipment.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,381,200,000, a reduction of \$108,400,000 below the budget authority estimate, and \$195,000,000 below the appropriation for fiscal year 1970.

The recommended appropriations will permit the procurement of about \$700,000,000 in munitions and associated equipment, almost

\$300,000,000 worth of electronics and telecommunications equipment, approximately \$400,000,000 in other base maintenance and support equipment, as well as over \$50,000,000 in vehicular equipment.

MUNITIONS AND ASSOCIATED EQUIPMENT

CBU-34/42 CLUSTER BOMBS

The Committee denies the \$63,600,000 requested for CBU-34/42 cluster bombs because the Air Force advised that this requirement had been cancelled.

CBU-38 CLUSTER BOMBS

The budget requests \$9,800,000 for CBU-38 Cluster Bombs. The Committee recommends a reduction of \$4,800,000 because the Air Force is experiencing technical problems associated with the SUU-13 dispenser.

VEHICULAR EQUIPMENT

M-715 1 $\frac{1}{4}$ -TON TRUCK

The request of \$500,000 for 122 M-715 1 $\frac{1}{4}$ -ton trucks is denied. The Army has not renewed the contract for these trucks, and the amount requested is insufficient to buy a like quantity of XM-705 trucks. (See page 65 of this report concerning the Committee recommendations with respect to the XM-705 truck.)

ELECTRONIC AND TELECOMMUNICATIONS EQUIPMENT

DEFENSE COMMUNICATIONS PLANNING GROUP

The \$36,000,000 requested for "Defense Communications Planning Group" has been reduced by \$14,000,000. This Committee recommendation is made possible by the reduced cost and increased life of the equipment being procured under this program.

DEFENSE COMMUNICATIONS SATELLITE EQUIPMENT

The Committee recommends a reduction of \$2,100,000 in the \$5,300,000 requested for Defense Communications Satellite Equipment. This program has been realigned by the Defense Communications Agency, therefore, the requirement to fund new satellite terminals this year can be deferred.

AIRCREW SURVIVAL RADIO EQUIPMENT

The request of \$3,000,000 to buy additional aircrew survival radio equipment is denied. There are sufficient aircrew survival radio assets in the inventories of the Air Force to meet this requirement.

OPERATIONAL BASE LAUNCH

The Committee recommends that the \$6,400,000 in this budget for the operational base launch program not be appropriated. In the opinion of the Committee, the total cost of this program does not justify the purpose to be served.

SECTION 642 OF PUBLIC LAW 91-171

The Committee has reduced this appropriation by an additional \$14,000,000. The \$14,000,000 in prior year balances, which was proposed for rescission under Section 642 of Public Law 91-171, should be used to offset this reduction in the fiscal year 1971 budget request.

PROCUREMENT, DEFENSE AGENCIES

| | |
|-------------------------------|--------------|
| Appropriation, 1970 ----- | \$61,600,000 |
| Estimate, 1971 ----- | 49,500,000 |
| Recommended in the bill ----- | 38,910,000 |
| Reduction ----- | 10,590,000 |

This appropriation provides for procurement of capital equipment for the Defense Communications Agency, the Defense Supply Agency, and other Defensewide agencies. The fiscal year 1971 program includes funding requests for automatic data processing equipment, communications equipment, materials handling equipment, and general and special purpose vehicular equipment.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$38,910,000, a reduction of \$10,590,000 below the budget authority estimate, and \$22,690,000 below the appropriation for fiscal year 1970.

The recommended appropriations will provide funds in accordance with the request, with the exception of miscellaneous equipment for Secretary of Defense Activities, certain automatic data processing and other equipment for the Defense Communications Agency, as well as a general reduction in the request for the National Security Agency.

SECRETARY OF DEFENSE ACTIVITIES

The budget requests \$242,000 for Secretary of Defense Activities. The Committee reduced this request \$60,000. It was the opinion of the Committee that there is now sufficient numbers of recording, duplicating, dictating, and camera equipment controlled by Secretary of Defense and that additional procurements of such equipment are not required. In addition, the Committee does not see the need for the Armed Forces Institute to purchase a mechanical belt conveyor system, and this request is to be deferred this year.

DEFENSE COMMUNICATIONS AGENCY

The budget requests \$13,261,000 of procurement funds for the Defense Communications Agency. The Committee reduced this request \$8,330,000.

WORLD-WIDE MILITARY COMMAND AND CONTROL SYSTEM

The major reduction relates to the \$6,400,000 requested for automatic data processing equipment for the World-Wide Military Command and Control System. Last year, as stated in the Committee's report on the Department of Defense Appropriation Bill for 1970, the Department announced plans to proceed with the acquisition of 34 standard-

ized computer systems for use in the World-Wide Military Command and Control System at an estimated cost of over \$500,000,000. Our report pointed out that severe difficulty had been encountered in the design of the system to be installed. The Committee desired that the Department proceed with caution in implementing this system and directed the General Accounting Office to make a comprehensive review of the need, requirements, and implementation features.

On March 23, 1970, in testifying in support of the Defense Communications Agency fiscal year 1971 budget request, the Director advised the Committee that the Department was having problems in programming and approving the basic concepts on which the original study justifying the system was based. He further stated, at that time, that the proposal for the system was presently in the Office of the Secretary of Defense going through the final exercise of approving the technical and operational aspects of the system. However, the DCA Director was optimistic and expected the system to be approved "momentarily".

On June 9, 1970, the Department of Defense announced that the Deputy Secretary of Defense had approved a revision to the program which had been approved in November, 1969. The announcement stated that "As a result of reviews during the past five months, DoD will procure a minimum of 15 new standardized computing systems. The procurement also will include an option for 20 additional computers. Under the original program, a minimum of 34 new computers was to be procured with an option for up to 53 more."

As recently as September 30, 1970, the Committee was advised that the operational aspects and implementation of the system is again under intensive review, as a result of the Blue Ribbon Defense Panel recommendations that the military command and control structure of the Department be realigned.

The General Accounting Office has not completed its study but a report is to be furnished the Committee prior to the beginning of hearings on the fiscal year 1972 budget request. It is estimated that the system may cost any where from half a billion to a billion dollars or more, depending upon the number of locations approved for equipment installation. In light of the uncertainty surrounding the system and the fact that the Committee has not received the results of the General Accounting Office review, the Committee decided to hold in abeyance funding of the system this year. Therefore, the Defense Communications Agency request to purchase this equipment is denied and the Department should not allow the services to use any funds to implement the system.

OTHER REDUCTIONS

The Committee also deleted the \$500,000 requested for "Query Display Consoles" for the National Military Command System, and items costing less than \$500,000 each was reduced by \$1,430,000 to the 1970 level of \$3,280,000.

NATIONAL SECURITY AGENCY

The request of the National Security Agency is reduced \$2,200,000.

TITLE V

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

ESTIMATES AND APPROPRIATIONS SUMMARY

The Committee recommends the appropriation of \$6,954,700,000 for the research, development, test, and evaluation activities of the Department of Defense for fiscal year 1971. The recommended amount is \$390,900,000 less than the budget estimate of \$7,345,600,000 and \$452,048,694 less than the \$7,406,748,694 provided for fiscal year 1970.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

| | |
|------------------------------|-----------------|
| Appropriation, 1970----- | \$1,608,282,908 |
| Estimate, 1971----- | 1,717,900,000 |
| Recommended in the bill----- | 1,608,500,000 |
| Reduction ----- | 109,400,000 |

The Committee recommends the appropriation of \$1,608,500,000, for the research, development, test, and evaluation activities of the Army, a reduction of \$109,400,000 below the budget estimate, and \$217,092 more than the sum provided for fiscal year 1970.

The Committee recommends a reduction of \$3,800,000 in Defense Research Sciences. The budget proposed to increase spending in this area from \$65,601,000 in 1970 to \$69,400,000 in 1971. The recommended action would keep the dollar level for Army Defense Research Sciences at the approximate level of the previous fiscal year. This reduction was agreed to in the authorizing legislation.

In the area of behavioral sciences, the Committee recommends a reduction of \$300,000 in "Military Personnel Performance" and \$500,000 in "Military Training Leadership." Both reductions are in accord with action taken in the authorizing legislation.

A reduction of \$1,000,000 is recommended in the request of \$2,100,000 for "Army Operations, Foreign Environment." This reduction was made in the authorization action.

A reduction of \$2,100,000 is recommended in the \$8,000,000 requested for General Biological Investigations, an area related to biological warfare. This reduction was made in the authorizing legislation. In the area of chemical warfare, a reduction of \$900,000 is recommended in General Chemical Investigations, as required in the authorizing legislation.

The area of Studies and Analyses is reduced by \$1,000,000 from the \$9,200,000 recommended in the budget request. This recommendation is in accord with the authorizing legislation.

The Committee recommends a \$10,000,000 reduction in Exploratory Development. There are a number of individual exploratory develop-

ment projects throughout the budget activities. The budget request is for \$232,700,000 this year as compared with \$208,532,000 last year. The Air Force budget shows a decrease in exploratory development for fiscal year 1971, and the Navy shows a smaller increase than the one requested by the Army. The Committee feels that the \$10,000,000 reduction, which permits a level of \$222,000,000, and which is \$14,000,000 more than was provided in FY 1970, will enable the Army to carry out those exploratory development projects essential to the research, development, test, and evaluation program.

The Committee has been informed that certain automatic data processing equipment which was planned in the budget program to be leased with RDT&E funds in fiscal year 1971 has been or will be procured, utilizing funds in the PEMA account. The Committee has therefore deleted \$1,000,000 in RDT&E, Army for the lease costs.

The Army is requesting \$24,720,000 in fiscal year 1971 for contracts with Federal Contract Research Centers funded under this heading. This compares with an allocation of \$22,664,000 last year. The Committee noted that this increase is proposed in spite of the fact that one Federal Contract Research Center, CRESS, has been deleted from the fiscal year 1971 program. Consistent with its long standing position that close attention should be given to the funding level of these organizations, the Committee recommends a \$2,000,000 reduction.

The Committee recommends the appropriation of the full \$17,600,000 requested for further development of the CHEYENNE AH-56A helicopter. Also funded are Army requested developments in the area of aircraft weapons, aircraft propulsion, aerial surveillance, and avionics systems.

A reduction of \$4,000,000 is recommended in the \$21,000,000 requested for Advanced Helicopter development, as specified in the authorizing legislation.

In the area of missiles, the Committee recommends the appropriation of the full \$365,000,000 requested for further development of the SAFEGUARD anti-ballistic missile defense system. Other major missile programs supported are the HAWK surface-to-air missile, the Chaparral/Vulcan surface-to-air missile-gun system, and the division-support missile LANCE.

A reduction of \$6,200,000 is recommended in the request of \$89,300,000 for SAM-D surface-to-air missile program as set forth in the authorizing legislation.

The Committee recommends a \$5,000,000 reduction in the \$16,500,000 requested for further development of the PERSHING missile system. The sum of \$11,200,000 was allocated to PERSHING last year and \$9,500,000 was programmed in fiscal year 1969. The PERSHING development program started in fiscal year 1963 and PERSHING missiles have been in the field for some years now. The Committee feels that only those modifications should be made to PERSHING which will substantially enhance its performance and believes that the \$11,500,000 allowed will be adequate to fund the essential requirements in this area.

The budget requests \$158,000,000 for the Advanced Ballistic Missile Defense program as compared with \$110,080,000 provided in fiscal year 1970. The increase was justified on the basis of a new hard site missile

defense effort which is to be initiated in fiscal year 1971. The Committee approves the initiation of the new effort but feels that other areas of endeavor which have been pursued in the past could now be abandoned and that the sum of \$138,000,000, a reduction of \$20,000,000 as authorized, will be adequate for this program in fiscal year 1971.

A reduction of \$2,200,000 was made in the Strategic Army Communications effort in the authorizing legislation due to program slip-pages and excess funds carried over from the fiscal year 1970 program. The Committee concurs in this recommendation.

A reduction of \$1,100,000 is recommended in the Sea-to-Land Logistics System. This would eliminate the entire request in this area. The funds requested were for the development of two prototype tugboats by the Army. The Committee believes that the Army can rely on tugboat developments accomplished elsewhere in the Government and commercially for its modernization requirements in tugboats and recommends the termination of this program.

In the area of chemical warfare, the authorizing legislation made a reduction of \$500,000 in lethal chemical investigations and \$300,000 in lethal chemical munitions concepts. These reductions are included in the total recommended sum.

The Committee recommends the appropriation of the full \$36,000,000 requested for further development of the Main Battle Tank, now called "XM-803". The Committee is still concerned about the future of this tank. The program has been reoriented and the tank which would have cost more than \$800,000 per unit as envisioned last year, has been "stripped" to a version which will cost an estimated \$600,000. This is still a very large sum to spend for a tank. The Committee feels that further refinements should be sought. The Committee is very concerned about the decision of the Army to utilize a de-rated engine which has experienced considerable technical difficulty in the past as the engine for the new version of the Main Battle Tank. The Committee is well aware of the fact that a tank can perform no better than its propulsion unit permits and does not feel that the utilization of a second-rate propulsion unit gives a high degree of confidence in the future of this program.

The authorizing legislation made a reduction of \$7,500,000 in the \$9,800,000 requested for Tracked and Special Vehicles. This reduction was based on the postponement of the ARSV Armored Reconnaissance Scout Vehicle and the MICV Mechanized Infantry Combat Vehicle. The Committee has concurred in this recommendation.

The Committee recommends a \$6,000,000 reduction in the \$12,000,000 requested for the Defense Communications Planning Group. The Committee has noted that in the past considerable reprogramming has been done from funds appropriated for this activity. The Committee is further aware that this organization is phasing out and that its programs are being incorporated into the regular programs of the military services. The new STANO Surveillance, Target Acquisition, and Night Observation development program of the Army should assume some of the effort previously accomplished under the Defense Communications Planning Group.

A \$2,000,000 reduction is recommended in the development of Electric Power Sources. The request for fiscal year 1971 in this area was

\$6,000,000 as compared with \$3,600,000 last year. The other military services, NASA, and private industry have large efforts in the area of electric power sources. The Committee believes that the recommended reduction will not adversely affect the modernization of the Army.

The Committee noted with approval the deletion of all of the \$14,000,000 requested for Project Mallard in the consideration of the authorizing legislation. The Committee reduced the funds for Project Mallard last year and directed that the program be terminated. Since that time, the Defense Department has made a number of efforts to keep the program alive through reprogramming.

Project Mallard was ill-conceived from the beginning. The Committee agrees with the authorizing committees that the concept needs to be completely reoriented. Rather than start from a field Army requirement, the total tactical communications needs of all the services must first be established. With full participation of the Defense Communications Agency, these requirements should be evaluated with the present and future Defense Communications System to determine how much of these requirements can be satisfied by the vast worldwide communications system we already have or will have in the foreseeable future. Thereafter, a reasonable and meaningful tactical communications requirement can be identified which will serve most of the needs of all the military services, and provide a more efficient use of the resources available to accomplish the task. In order to assure success, full participation, endorsement, and cooperation of the military services and the Defense Communications Agency is essential.

The Committee concurs in the \$18,000,000 reduction in new obligatory authority to be offset by recoupments from funds appropriated in prior years as provided in the authorizing legislation.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

| | |
|------------------------------|-----------------|
| Appropriation, 1970----- | \$2,203,660,000 |
| Estimate, 1971----- | 2,197,300,000 |
| Recommended in the bill----- | 2,156,200,000 |
| Reduction----- | 41,100,000 |

The Committee recommends an appropriation of \$2,156,200,000 for the research, development, test, and evaluation activities of the Navy. The sum recommended is \$41,100,000 less than the budget estimate of \$2,197,300,000 and \$47,460,000 less than the \$2,203,660,000 appropriated for fiscal year 1970.

The Committee recommends a \$5,000,000 reduction in research. The budget program for research in the Navy in fiscal year 1971 is \$118.9 million, a \$1,000,000 increase above the \$117.9 million allocated in fiscal year 1970. The Navy research effort is substantially greater than that of either the Army or the Air Force. The Army programs \$80.1 million for research and the Air Force programs \$83.3 million. The Committee does not believe that the Navy is unique among the services in its needs for basic research. After the application of the recommended reduction, the Navy would still be funding research at a level of approximately \$30,000,000 more per year than either the Army or the Air Force.

The Committee is very interested in the recommendation of the Blue Ribbon Defense Panel, appointed by the Secretary of Defense, that all research of the Department of Defense be conducted by a single organization outside of the military services. While the Committee is not at this time recommending such an organizational change, the Committee does feel that the Department of Defense should thoroughly explore the pros and cons of this matter, and in the hearings on research, development, test, and evaluation next year inform the Committee as to the decisions made in this area.

As was the case with the Army, the Committee recommends a reduction in the level of funding for Exploratory Development. The budget request is \$242,900,000 for various areas of exploratory development throughout the RDT&E, Navy program. This compares with a program level of \$236,100,000 in fiscal year 1970. The Committee recommends a deletion of \$3,000,000 which would allow one-half of the requested increase in this area.

The Committee recommends a reduction of \$500,000 for Education and Training Development as specified in the authorizing legislation.

For Studies and Analyses, Navy, the request for \$9,200,000 is reduced by \$200,000, as recommended in the authorizing legislation. In addition, the Committee recommends a \$200,000 reduction in Studies and Analyses, Marine Corps for which \$2,142,000 is budgeted and \$1,250,000 was appropriated for fiscal year 1970.

The Committee recommends a \$1,000,000 reduction in the funds allocated to the Center for Naval Analyses, a Federal Contract Research Center, which contracts with the Department of the Navy. The program in fiscal year 1970 was \$8,500,000. As the hearings indicate, the Committee is not entirely satisfied with the operation of this organization.

In the area of Federal Contract Research Centers, the Committee also recommends a reduction of \$3,000,000 in the \$27,600,000 requested for effort with the Applied Physics Laboratory of Johns Hopkins University. The budget proposes an increase from \$21,900,000 in fiscal year 1970 to \$27,600,000 in fiscal year 1971 for this organization. An increase of this magnitude in a single fiscal year is not in accord with the Committee's policy of restraint of such non-profit organizations. The Committee is not convinced that the efforts of this organization have been productive enough in the past to justify such an increase now.

The Committee recommends a \$10,000,000 reduction in the request for \$13,500,000 for development of the Destroyer Helicopter System known as "LAMPS". This program would develop a helicopter for use on destroyers. The Committee is not certain that the Navy is planning to utilize an off-the-shelf helicopter for the LAMPS program. The Committee feels that in the military services or available otherwise off-the-shelf there are helicopters which could be utilized for this effort. Since the Navy has not yet completed a Development Concept Paper on LAMPS, the Committee feels that the funds provided will be sufficient until the preliminary reviews have been made of requirements in this area. A reduction of \$3,000,000 in LAMPS was made in the authorizing bill.

The Committee recommends the deletion of \$5,200,000 for avionics development for the F-14C aircraft. Testimony revealed that the F-14C aircraft is no longer in the approved program. Navy witnesses agreed that the sum requested is no longer required for the purpose for which requested but indicated that they would like to spend the money in another area, possibly on cost overruns on the engine development program for the F-14 aircraft. The Committee understands that the engine program for the F-14 aircraft is important and must stay on schedule and, if the Navy has additional funding requirements in this area, they can be handled by reprogrammings or supplemental appropriation requests.

In major aircraft development programs, the Committee recommends the appropriation of the full \$274,000,000 requested for development of the F-14A aircraft, the \$47,700,000 requested for the further development of the E-2C aircraft, and the \$10,000,000 requested for the EA-6B electronic warfare aircraft.

The Committee recommends the approval of the full \$207,960,000 requested for research and development of the S-3A antisubmarine warfare aircraft, and in addition, recommends that \$58,000,000 be added to this program in lieu of funds deleted from the Procurement request to fund the S-3A aircraft needed in the development program. The Committee does not feel that proper financial management is reflected by efforts of the Navy to fund developmental efforts in the procurement accounts. This distorts to the Congress and to the public the level of effort in the procurement area and in the research, development, test, and evaluation area.

The Committee recommends the appropriation of the full \$10,000,000 requested for development of a heavy-lift helicopter. This appropriation is approved only in line with the understanding set forth in Deputy Secretary Packard's letter to the Chairman, dated September 21, 1970, in which it is stated that—

The Marine Corps and the Army have essentially the same tactical equipment to move and the standard shipping container is becoming the major discrete logistics load. It has been shown that a heavy-lift helicopter sized to off load containers from ships can accommodate most tactical equipment with the high degree of assurance and can also be based aboard the Marine Corps LHA amphibious carriers. For these reasons, I have approved the development of a single heavy lift helicopter for use by all services requiring such an aircraft * * * the Army has been designated as lead service for this development.

The Committee believes that the Deputy Secretary of Defense has made a wise decision in this instance and that considerable time, money, and effort will be saved by the utilization of a single heavy-lift helicopter by the Army and the Navy.

The Secretary's letter also stated that the funding requested for the separate programs will be required in fiscal years 1970 and 1971 but would be used on the development of a single aircraft. With this understanding, the Committee approves the funds requested.

In the aviation area, other sums are recommended for ASW devel-

opments, avionics developments, reconnaissance and electronics, warfare developments, V/STOL developments, and search and rescue efforts.

In the missile area, the Committee approves full funding of the request for further efforts on the Fleet Ballistic Missile System and ballistic missile submarine defense. The full amounts requested are recommended for further developments on the Shrike and Standard Arm missiles. The full \$44,000,000 requested for the Undersea Long Range Missile System, an advanced long-range Poseidon-type missile system, is recommended.

The Committee recommends the deletion of \$9,700,000 for the Point Defense System, as provided in the authorization legislation. The budget request is \$24,500,000. The Committee action will allow \$14,800,000. The reduction is recommended because of program slippages in fiscal year 1970.

The Committee recommends reduction of \$8,000,000 in the area of ship contract definition based on a delay in the DXG program.

The development of Surface Effects Ships is reduced from the budget level of \$20,000,000 to \$10,000,000. Under the budget program, the Navy would continue the construction of two 100-ton surface effects ships. This program was a joint program under which costs were shared on a fifty-fifty basis by the Navy and the Maritime Administration. The financial support of the Maritime Administration was withdrawn this year, and the Navy, in requesting \$20,000,000, proposes to entirely fund the program. The Committee does not feel that the Navy should assume the entire financial burden in this area. In other parts of the world, commercial surface effects ships are in operation today, notably, on scheduled crossings of the English Channel. The Committee feels that the maneuver to force the Navy to assume full funding of this operation places the Navy in the position of financing a program of importance to commercial shipping as well as to the Navy and the proper and agreed upon share of the financing by the Maritime Administration should be continued if the program is to proceed at the funding level contemplated.

Under this program, two prototype ships are funded. The funds allowed would permit the continued construction of one of the two ships. If the Navy cannot obtain further funding from the Maritime Administration, this is the course which might be followed.

The Navy has experimented with smaller surface effects ships. The basic technology of surface effects ships is very well understood and a number of craft have been built by various countries. The Committee understands that surface effects ships may be important to the Navy in future years and feels that the Navy should go ahead with one prototype ship if further participation by Maritime is not possible. On the other hand, the Committee is not at all willing to have the Defense Department victimized by program changes by other agencies which result in higher costs to the Department of Defense.

The Committee recommends a \$1,000,000 reduction in Program 479, a classified program, and understands that this reduction will cause no delay in the program.

A \$7,300,000 reduction is recommended in Advanced Surface Ship Sonar development, as provided in the authorization legislation. The

budget request is for \$11,000,000. The reduction is based on delays in the program and the availability of fiscal year 1970 funds for effort in fiscal year 1971.

The Committee also recommends a reduction of \$2,000,000 in ASW Acoustic Warfare as recommended in the authorizing legislation, and a reduction of \$3,100,000 in Laboratory Independent Exploratory Development, as provided in the authorizing action. The sum of \$200,000 is reduced from the \$1,900,000 request for Manpower Effectiveness, also a part of the authorization reduction.

Earlier in the year, the Committee was requested to reprogram \$2,200,000 for expenses incidental to the closing of the Naval Applied Science Laboratory at the Brooklyn Navy Yard and the relocation of activities previously performed at that laboratory to other locations. The Committee refused to approve the reprogramming requested and reminded the Navy that the rationale for the closing of the Applied Science Laboratory in the Brooklyn Navy Yard, as presented to Congress, was the saving of money. The Committee felt it should not appropriate additional funds for that purpose when a saving had been promised, not an increase. The Committee directed that the funds not be reprogrammed and stated that they would be recommended for deletion in the action on the appropriation bill. Accordingly, the Committee recommends the deletion of the \$2,200,000 for which reprogramming was refused.

The Committee recommends a reduction of \$1,500,000 in facilities and installations support. For the most part, this reduction can be reflected in reductions in flying hours in support of R&D activities.

A reduction of \$1,000,000 is recommended in the \$2,200,000 requested for Advanced Airborne Reconnaissance. This effort would develop a reconnaissance version of the F-14 aircraft. The Committee believes that all efforts essential in fiscal year 1971 can be performed with the \$1,200,000 remaining.

The Committee recommends a reduction in new obligating authority of \$15,000,000 based on the recoupment of prior year funds as set out in the budget as proposed for rescission. This action was taken in the authorizing legislation. In addition, the Committee recommends a further \$10,000,000 reduction in the belief that additional recoupments can be made and that a reduction should be made in the \$228,845,000 which it is estimated will remain unobligated at the end of fiscal year 1971 in this appropriation.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE

| | |
|------------------------------|-----------------|
| Appropriation, 1970..... | \$3,069,053,300 |
| Budget estimate, 1971..... | 2,909,700,000 |
| Recommended in the bill..... | 2,701,100,000 |
| Reduction | 208,600,000 |

The Committee recommends the appropriation of \$2,701,100,000 for Research, Development, Test, and Evaluation, Air Force. The sum recommended is \$208,600,000 less than the requested budget authority of \$2,909,700,000 and \$367,953,300 less than the \$3,069,053,300 appropriated for fiscal year 1970.

The Committee does not recommend reductions in the research and exploratory development areas of the Air Force similar to those

reductions recommended for the other military services. The budget of the Air Force shows a decrease in both of these categories.

The Committee recommends a reduction of \$300,000 in Studies and Analyses as proposed in the authorizing legislation. This item deletes all of the funds in the Studies and Analyses line item for the Air Force.

A \$2,000,000 reduction is recommended in the Light Intratheatre Aircraft (LIT) program. The recommended reduction deletes the entire budget estimate and was a part of the authorizing legislation.

Similarly, the authorization action deleted the entire \$2,500,000 requested for the CONUS air defense interceptor program, and the action recommended follows the authorization.

The Committee recommends the deletion of the \$500,000 requested for the Advanced Tanker development effort. This sum was requested in a reprogramming for fiscal year 1970 and was refused by the Committee at that time. The sum requested for reprogramming is still available and can be used in lieu of new obligational authority in fiscal year 1971.

The B-1 long range bomber program was reduced from \$100,000,000 to \$75,000,000 in the authorizing legislation. The Committee recommends the full amount authorized, \$75,000,000, a reduction of \$25,000,000.

A reduction of \$2,000,000 is recommended in Aerospace Biotechnology. The budget request in this area was \$19,000,000 as compared with \$17,081,000 in fiscal year 1970. The recommended action would hold the program to the level of the prior fiscal year. Now that the Air Force has no manned space program, the Committee sees no reason for an increase in this area.

The entire budget request of \$33,600,000 for development of a new subsonic cruise armed decoy, termed SCAD, is denied. The authorizing legislation cut this program by \$23,600,000. The object of the SCAD program is to develop a new decoy as a replacement for the Quail decoy now carried on the B-52 aircraft. When the program was presented to the Committee last year, it was stated that a single decoy would be developed which could be utilized on both the B-1 and the B-52 aircraft as well as the FB-111 and which could be either armed or not armed. The present program proposes only an unarmed decoy for the B-52. The SCAD program, in research and development and in procurement, would exceed a billion dollars in cost. In the view of the Committee, the Quail decoy now with the B-52 force, the Hounddog stand-off missile now with the B-52 force, the SRAM missile which is under development, and which is a very costly development, and the electronic countermeasures and other penetration aids which have been incorporated in the B-52 fleet should provide that degree of penetration capability essential to the B-52 force. Further, the Committee suggests that there are other ways of improving strategic bomber penetration, such as development of an air-to-air defensive missile, which might be more attractive than a new decoy.

The Committee recommends a reduction of \$50,000,000 in the \$77,000,000 requested for Minuteman rebasing. The Minuteman rebasing program is that program under which the Air Force would endeavor to develop additional protection for the Minuteman ICBM force. The Minuteman rebasing program grew out of the Hard Rock

Silo Program which has now, for the most part, been abandoned and on which more than \$50,000,000 has been spent. The proposal of the Air Force incorporates several alternative methods of providing additional survivability for the Minuteman force including a shelter-based mobile system, a hard point anti-ballistic missile defense system, and the upgrading of the hardness of existing silos as well as the aforementioned hard rock silo effort. The Committee feels that the \$27,000,000 allowed will enable the Air Force to pursue those efforts which should be pursued in fiscal year 1971. The Air Force is directed to carefully study these alternative methods before expending hardware funds in this area.

The Committee points out that the Safeguard program, which will cost from \$6 to \$12 billion depending how many sites are protected, is basically for Minuteman defense, that the Army has initiated a new hard point defense missile system, and that mobile Minuteman concepts were planned a decade ago and abandoned. With the ever-increasing accuracy of ICBMs, a valid question can be raised as to whether or not any hardening of missiles can be effective for a long enough period of time to encourage the investment of the billions of dollars which are required in this kind of effort. The Committee further feels that the Air Force should not preclude the procurement and deployment of additional ICBMs as a means of enhancing the survivability of the Minuteman force. The Committee has noted the alarm expressed by many Defense officials in the fast growing ICBM force of the Soviet Union but has no budget request or authorization for any additions to the on-launcher ICBM force of the United States.

Further, there are interesting arguments being made that future expenditures in the area of increasing the survivability of our missile counter force should be expended on sea-based missiles which do not draw enemy fire upon the continental United States and which, at this point in time and for the foreseeable future, have a relative degree of invulnerability.

The Committee recommends a reduction of \$5,000,000 in the \$105,000,000 requested for the Advanced Ballistic Reentry System effort of the Air Force, as agreed to in the authorizing legislation.

A reduction of \$24,200,000 is recommended in the Short-range Air-to-Air Missile program of the Air Force as authorized. The budget request is for \$37,200,000. Under this program, the Air Force was to have developed a short range, so-called "Dogfight" air-to-air missile, termed the AIM-82. The Air Force has cancelled this program and will use the AIM-9H air-to-air missile of the Navy. The \$13,000,000 remaining will provide the costs of terminating this effort. The Committee compliments the Department of Defense for making this decision for the joint utilization of air-to-air missiles. The Committee believes that this decision will save considerable money and will provide both the Air Force and the Navy with an acceptable weapon.

The Committee recommends a reduction of \$23,500,000 in the Airborne Warning and Control System (AWACS) program. The budget request is \$87,000,000. The amount provided would allow an increase of \$23,500,000 more than the sum allocated last year to the AWACS effort. The Committee does not believe that the AWACS effort should necessarily proceed faster than the other important components of nuclear defense against manned bombers. The Committee notes that

the authorization bill deleted the entire sum for the interceptor which is a vital component to the defense against a manned bomber. It is clear that the overwhelming emphasis of the Soviet Union in recent years in the area of strategic weaponry has been on the ICBM, both land-based and submarine-based, not on manned bombers. It is noted that the R. & D. cost of the AWACS is estimated to be \$687,000,000 and the procurement cost \$1,400,000,000. Certainly, we should be on very sound ground before proceeding with full scale development of an AWACS system.

The Committee recommends a reduction of \$19,800,000 as a part of the reduction discussed under the Procurement title in the area of Operational Base Launch Support. As stated previously, the Committee does not feel that the proposed launch of a Minuteman ICBM from the north-central United States into the Pacific, under all the safeguards and procedures which are a part of the program, would be a substantially greater test of the readiness of ICBM crews and hardware than the present training launches from Vandenberg Air Force Base and that the very great cost of this effort, as well as the element of risk involved in launching over a large area of the United States, indicates that this program as conceived should not be funded.

The Committee recommends the deletion of \$500,000 from the \$4,700,000 requested in the area of Human Resources and deleted in the authorizing legislation. The Committee also concurs in the authorization reduction of \$1,700,000 in the Air Force share of the Project Mallard tactical communications effort. The termination of this effort is consistent with the position of the Committee last year.

Consistent with actions on other procurement and RDT&E appropriations the Committee recommends reduction of \$18,000,000 in new obligational authority to be recouped from excess funds in prior year programs. This cut was also enacted in the authorizing legislation.

The Committee action provides the full \$370,000,000 requested for the F-15 fighter aircraft. The \$27,900,000 requested for the A-X close support aircraft is also provided under the concept set forth in the report under "Close Air Support Aircraft." The full \$46,000,000 requested for the SRAM short range attack missile is provided as well as the \$224,200,000 requested for Minuteman except for funds relating to the Operational Base Launch Program discussed above.

The full amount of \$118,00,000 is provided for the support of the Eastern Test Range. The Committee notes that Air Force support of this range continues to decline as Air Force use of the range declines.

The reduction in the Air Force astronautics budget activity reflects, in large part, the cancellation of the Manned Orbiting Laboratory (MOL) which had been carried in the program at a level of a half billion dollars before its cancellation by the Executive Branch. The Air Force continues to fund a wide range of space technology programs including improvements of the Titan III space booster and support of the Satellite Control Facility.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE AGENCIES

| | |
|------------------------------|-----------------|
| Appropriation, 1970----- | \$450, 752, 486 |
| Estimate, 1971----- | 470, 700, 000 |
| Recommended in the bill----- | 438, 900, 000 |
| Reduction ----- | 31, 800, 000 |

This appropriation provides funds to cover the expenses of activities and agencies of the Department of Defense, other than those of the Military departments, for basic and applied research and for such advanced research projects as may be determined and designated by the Secretary of Defense.

The Committee recommends an appropriation of \$438,900,000 for Research, Development, Test, and Evaluation, Defense Agencies, a reduction of \$31,800,000 below the budget estimate, and \$11,852,486 below the appropriation for fiscal year 1970. The recommended reduction includes \$17,900,000 which failed authorization by Congress.

ADVANCED RESEARCH PROJECTS AGENCY (ARPA)

The Committee recommends an appropriation of \$212,300,000, a reduction of \$10,400,000 below the budget estimate of \$222,700,000. Of this reduction, \$8,900,000 failed Congressional authorization as follows:

| | |
|--|-------------|
| Defense Research Sciences..... | \$1,200,000 |
| Advanced Engineering..... | 7,200,000 |
| Overseas Defense Research (AGILE)..... | 500,000 |

The Technical Studies request is recommended to be reduced by \$500,000.

The Committee has reduced the Distributed Information Systems program by \$1,000,000. This reduction is to be applied to the climate modification research program (NILE BLUE) which is to improve the long-term stability of numerical weather prediction models to permit the prediction of world climate both with and without the effects of environmental perturbations. This reduction will fund the program at the fiscal year 1970 level.

DEFENSE COMMUNICATIONS AGENCY (DCA)

The budget request for DCA was \$15,900,000. The Committee recommends a reduction of \$3,000,000, of which \$2,400,000 was an unspecified reduction made in the authorizing legislation. Of the \$3,000,000 reduction, \$2,100,000 is applied to the DCA request for service support contracts. The remaining \$900,000 is applied to service contracts in support of the National Military Command System, especially the MITRE contract for system analysis and technical review and evaluation in support of Joint Chiefs of Staff and Office of the Secretary of Defense projects. The Committee again advises the Department of Defense that computer projects such as war gaming computer models, feasibility studies, and cost analysis studies are not RDT&E efforts and in future years, funds for such work are to be requested in the Operation and Maintenance budget.

DEFENSE SUPPLY AGENCY (DSA)

The budget request for DSA is \$11,500,000. This request is in support of the Defense Documentation Center. Of the funds requested, \$1,000,000 failed authorization. The Committee recommends an additional reduction of \$300,000 for a total reduction of \$1,300,000 for this activity. The Committee action would reduce civilian personnel strength by 50 positions in the belief that this activity is overstaffed.

STUDIES AND ANALYSIS

The budget requested \$9,000,000 for this activity. Of the funds requested, \$600,000 failed authorization. The Committee recommends a further reduction of \$1,400,000. In line with this reduction the Committee directs that the Department make a thorough review of the need for some of the studies to be undertaken as they appear to be of questionable value.

OTHER AGENCY REDUCTIONS

The request of the Defense Intelligence Agency is reduced \$300,000. The National Security Agency request is reduced \$3,100,000. The request of the Defense Atomic Support Agency is reduced \$6,700,000.

The request to restore \$5,000,000 of old prior year balances failed authorization.

EMERGENCY FUND, DEFENSE

| | |
|------------------------------|-----------------|
| Appropriation, 1970----- | \$75, 000, 000 |
| (Transfer authority)----- | (150, 000, 000) |
| Estimate, 1971----- | 50, 000, 000 |
| (Transfer authority)----- | (150, 000, 000) |
| Recommended in the bill----- | 50, 000, 000 |
| (Transfer authority)----- | (150, 000, 000) |

The Committee recommends an appropriation of \$50,000,000, the budget estimate, for the Emergency Fund, Defense.

In addition, language is retained in the bill making \$150,000,000 available for transfer by the Secretary of Defense from appropriations available for obligation during the current fiscal year, as proposed by the Budget.

TITLE VI
COMBAT READINESS, SOUTH VIETNAM FORCES,
DEFENSE

| | |
|----------------------------|-----------------|
| Appropriation, 1970..... | |
| Budget estimate, 1971..... | \$300, 000, 000 |
| (Transfer authority)..... | (150, 000, 000) |
| Recommended..... | 358, 500, 000 |
| (Transfer authority)..... | (150, 000, 000) |
| Increase | +58, 500, 000 |

This new appropriation was requested for the first time in the FY 1971 Budget. The funds requested are to be used to increase the readiness of South Vietnamese Forces in connection with the Vietnamization of the war.

On September 9th, Secretary Laird informed the Committee that his most current validated requirements in this area totalled \$358.5 million. The Committee fully supports the concept of the Vietnamization of the war and the bringing home of American forces at the earliest practical date. Therefore, the Committee recommends the appropriation of the full \$358.5 million for currently validated requirements. This is an increase of \$58.5 million more than the sum requested.

The Committee recommends approval of the full \$150.0 million in transfer authority under this heading as requested in the Budget.

The Committee recommends that the sum under this heading be available for obligation for the same period as the appropriations to which it is transferred instead of available until expended. This action is in accord with the recommended action on all procurement and RDT&E appropriations.

(100)

TITLE VII
SPECIAL FOREIGN CURRENCY PROGRAM

| | |
|------------------------------|---------------|
| Appropriation, 1970----- | \$2, 621, 000 |
| Estimate, 1971----- | 2, 621, 000 |
| Recommended in the bill----- | |

This appropriation provides dollars to be used exclusively for purchase from the Treasury of excess foreign currencies to finance undertakings which are of benefit to the Department of Defense, according to 80 Stat. 990.

The Committee recommends an appropriation of \$2,621,000, the budget estimate, for the Special Foreign Currency Program.

The Committee recommends that the funds under this heading be available for obligation until June 30, 1973 instead of available until expended as proposed in the Budget. This action is consistent with the action taken on appropriations for Procurement and Research, Development, Test, and Evaluation.

(101)

TITLE VIII

GENERAL PROVISIONS

The accompanying bill includes forty-four general provisions, most of which have been carried in annual Defense appropriation bills for a number of years.

The Budget recommended the deletion of Section 801 which pertains to publicity and propaganda purposes. The Committee feels that specific reductions made in public affairs functions in the various personnel and operation and maintenance appropriations are a more effective means of controlling such expenditures. However, a number of Members of Congress have expressed the desire that the provision be retained and the Committee has again included it in the bill.

Section 806 has been amended to make appropriations available for not only the acquisition of land but also for "interest therein" as proposed in the Budget. This will provide the Department with more flexibility as provided for under 10 U.S.C. 2675.

Section 807 has been revised to provide schooling in schools operated overseas by the Department of Defense for the minor dependents of Department of Defense personnel who died while entitled to compensation or active duty pay. This provision will allow widows who are foreign nationals to educate their children in American schools if they return to their country of origin. The limitation on obligations for dependents' education is increased from \$129,900,000 to \$134,400,000 as requested.

The Committee recommends that Section 815 be broadened to permit the payment of flight pay to personnel assigned to long term courses of instruction of 90 days or more, in lieu of pay for actual flying. The Committee is concerned over the high cost of providing aircraft for such flying and feels that the provision will permit the Department to achieve monetary savings without adverse effect.

The Committee recommends the deletion of language pertaining to the purchase of house trailers in Section 827, since all forces have now been withdrawn from France. This was requested by the Department of Defense.

The Committee recommends the continuation of the set-aside for the procurement of commercial passenger sea transportation on American-flag vessels in Section 832. The amount recommended for the set-aside is \$5,500,000. A \$7,500,000 set-aside was enacted for fiscal year 1970. The Department of Defense recommended that the set-aside be eliminated entirely. The \$5,500,000 set-aside seems to be reasonably satisfactory to all parties concerned.

The Committee recommends the increase from \$200,000,000 to \$300,000,000 in transfer authority for the Secretary of Defense in matters he deems vital to the security of the United States or to improve the readiness of the Armed Forces, as proposed in the Budget. The matter is included in Section 836.

The Committee recommends a change in the language in Section 838 from "in Vietnam" to "in support of Vietnamese forces". This action is consistent with action taken in the authorizing legislation.

The Committee recommends the retention of the language in Section 840 relating to individuals convicted of riot activities. The Budget proposed deletion of the provision.

The Committee recommends the retention of the language in Section

841 relating to student loans. The Budget recommended deletion of the provision.

The Committee recommends the inclusion of language in Section 842 which would make all procurement and research, development, test, and evaluation appropriations available for obligation for specific periods of time rather than available until expended. The Committee feels that the enactment of this provision is essential to providing improved Congressional control of Defense Department spending. The same language was passed by the House last year. This matter was more fully discussed previously in the report under "Closer Control of Carryover Balances" (page 7). The deletion of the language enacted last year concerning the reporting of rescissions is approved as recommended.

Section 639 as proposed by the Budget is not required since reductions have been made in new obligational authority rather than by the rescission of prior year amounts.

The inclusion of a new provision, Section 844, reflects the Committee's deep concern that the provisions of Section 610 of the Military Construction Authorization Act, 1971, as passed by the Senate, would result in the diversion of large sums appropriated for national defense to non-defense purposes.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in connection with any appropriation bill are recommended:

On page 15, beginning on line 2, in connection with "Procurement of Equipment and Missiles, Army":

—to remain available for obligation until June 30, 1973—

Note.—The above limitation on obligational availability until June 30, 1973 appears in connection with other appropriation paragraphs on pages 15, 17, 18, 19, 20, and 23.

On page 15, beginning on line 3, in connection with "Procurement of Equipment and Missiles, Army":

—Provided, That none of the funds provided in this Act shall be available for the maintenance of more than two active production sources for the supplying of M-16 rifles or for the payment of any price differential for M-16 rifles resulting from the maintenance of more than two active production sources—

On page 16, beginning on line 8, in connection with "Shipbuilding and Conversion, Navy":

—to remain available for obligation until June 30, 1975—

On page 20, beginning on line 13, in connection with "Research, Development, Test, and Evaluation, Army":

—to remain available for obligation until June 30, 1972—

Note.—The above limitation on obligational availability until June 30, 1972 appears in connection with other appropriation paragraphs on pages 20 and 21.

On page 22, beginning on line 19, in connection with "Combat Readiness, South Vietnamese Forces, Defense":

—COMBAT READINESS, SOUTH VIETNAMESE FORCES, DEFENSE

For transfer, by the Secretary of Defense, upon determination by the President that such action is necessary to further improve

nam, to any appropriation available to the Department of Defense for military functions to be merged with the appropriation to which transferred, \$358,500,000, to remain available for the period of availability of the appropriation to which transferred, and in addition \$150,000,000 to be derived by transfer from such appropriations available to the Department of Defense for obligation in the current fiscal year as the Secretary of Defense, with the approval of the President, may designate: Provided, That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority.

On page 25, beginning on line 18, in connection with "General Provisions":

—for acquisition of land or interest therein as authorized by section 2672 or 2675 of title 10, United States Code.

On page 26, beginning on line 7, in connection with "General Provisions":

—Provided, That under such regulations as may be issued by the Secretary of Defense, such schooling in a school operated by the Department of Defense under this section may be provided without tuition for minor dependents of civilian and military personnel of the Department of Defense who died while entitled to compensation or active duty pay: Provided further, That where such personnel die subsequent to the date of this act, such schooling must be continued or commenced within 1 year after the date of death;

On page 34, beginning on line 1, in connection with "General Provisions":

—, or who have been assigned to a course of instruction of 90 days or more.

On page 42, in line 23, in connection with "General Provisions":

—in support of Vietnamese forces—

On page 44, beginning on line 8, in connection with "General Provisions":

Sec. 842. Appropriations heretofore made available for Procurement of Equipment and Missiles, Army; Procurement of Aircraft and Missiles, Navy; Other Procurement, Navy; Procurement, Marine Corps; Aircraft Procurement, Air Force; Missile Procurement, Air Force; Other Procurement, Air Force; Procurement, Defense Agencies; and Special Foreign Currency Program shall not be available for obligation after June 30, 1973. Appropriations heretofore made available for Shipbuilding and Conversion, Navy, shall not be available for obligation after June 30, 1975. Appropriations heretofore made available under the headings Research, Development, Test, and Evaluation, Army; Research, Development, Test, and Evaluation, Navy; Research, Development, Test, and Evaluation, Air Force; and Research, Development, Test, and Evaluation, Defense Agencies shall not be available for obligation after June 30, 1972.

On page 45, beginning on line 3, in connection with "General Provisions":

Sec. 844. None of the funds appropriated in this Act shall be available for the purposes which would be authorized by section 610 of the Military Construction Authorization Act, 1971, as passed by the Senate.

SEPARATE VIEWS OF HONORABLE LOUIS C. WYMAN

I disapprove of the incremental appropriation for DD963 procurement which is a first installment on a more than \$2 billion contract to a single shipbuilder. The House-passed language in the Military Procurement Bill for FY71 would have required this destroyer class to be built in substantially equivalent proportions in at least two separate shipbuilding facilities. The Senate deleted this provision and the Senate conferees in the language of the Military Procurement Conference Report "were adamant in their opposition to this position."

I believe the public interest is best served by not putting contracts of this magnitude into single-source procurement. No single source should have a two-thousand-million-dollar contract! It's too much money in one place. It's an invitation to waste, to overlapping functions, to loose procedures, to concealed bidding and subsequent concealed recoupment of underbidding. Most importantly, it leads to huge cost overruns.

This is the lead destroyer on which the United States Navy will depend for the next two decades. As things now stand, the Navy proposes to put this entire program in a single yard (in this instance, Litton, Inc. in Pascagoula, Mississippi). The claim is that by doing this they will save money. This is unlikely. This giant single yard already holds billions in ongoing Government contracts.

If any money is saved in this way, it will be at the expense of the national security, for a single hurricane, or a single bomb, or a single effective act of sabotage could wipe out the whole production capability in one fell swoop. There should be at least two widely separated facilities building this destroyer both from common specifications.

I do not contend that the Navy should build two different destroyers. My point is that the Navy's new destroyer on common specifications should be built in two different widely-separated places for the security of the country, to say nothing of diversification of jobs and economics associated with such a monstrosity huge procurement impact.

I do not favor the appropriation of funds for the implementation of this particular procurement unless this contract is required to be awarded to at least two separate private shipbuilders. Who they are makes no difference, but they should be widely disparate and their performance by the terms of the procurement contract should be required to be competitive in the sense of contract incentives provided.

To me, this entire DD-963 construction program is suspect. As long as I remain a member of the Defense Subcommittee I shall continue to press for dual source procurement on this and every other huge contract involving more than \$2 billion. In my opinion, the public interest demands this and I am appalled that the Senate conferees on the Military Procurement Bill should, in the language of their own report be "adamant in this opposition" to such a requirement without a dissenting voice.

LOUIS C. WYMAN.

SEPARATE VIEWS OF HON. DONALD W. RIEGLE, JR.

As is well known, we do not provide a specific line-item appropriation in this bill to finance American military operations in Southeast Asia. Instead, an open-end spending authority is established—as has been the case since the beginning of the Vietnam war. Once again, the House Appropriations Committee is recommending that the Congress sign a blank check for U.S. military efforts in Vietnam and Southeast Asia. I strongly object to the continuation of this practice.

Further, it is an established fact that this war has not been formally declared, as required by the Constitution. Even the highly controversial Gulf of Tonkin resolution has been repealed twice by the Senate—and will most likely be repealed by the House when it comes to a vote. So, no specific congressional authority exists to carry on this Southeast Asian war—in a form required by the Constitution. Thus, any expenditure of funds to finance the Vietnam war is of very questionable constitutionality.

Accordingly, I must file my objection to this defense appropriation until such time as specific expenditure limitations are established with respect to U.S. military spending in Southeast Asia.

DONALD W. RIEGLE.

ADDITIONAL VIEWS OF THE HONORABLE JEFFERY COHELAN

I support the committee's action in carefully pruning \$2.089 billion from the Department of Defense appropriation bill for fiscal year 1971. However, I strongly feel that additional cuts should be made in this bill.

I favor deletion of funds for the further deployment of the ABM as well as funds for the continued deployment of multiple war headed missiles on the land-based Minuteman III.

I oppose further deployment of these two weapon systems for two reasons: cost and strategic effect. In this bill \$1.07 billion has been appropriated for the ABM and \$474 million for land-based MIRV's. It does not take much of one's imagination to see that these funds could be effectively used for our pressing domestic problems.

Aside from the cost factors, I oppose further deployment of these two systems for technical and strategic reasons. The official justification is that the ABM and MIRVed missiles will increase U.S. security. I feel quite the contrary view in that the ABM and MIRVed missiles will place this Nation in a more precarious strategic situation.

Let me take each system in turn. The ABM is old news, yet the arguments remain as valid now as when I first raised them in 1966 with the old Nike-X program—will such a system work? We all know that the ABM is an integrated and complex system composed of two types of missiles—Sprints and Spartans— and also two different radars—MSR and PAR—and a highly sophisticated data processing system that will coordinate all the components. None other than the Deputy Secretary of Defense, Mr. David Packard, admitted that the computer capability is not yet available. Hence there is more than a reasonable doubt that the entire system will not be operational.

In addition, many competent technicians have expressed very serious doubts about the ability to adequately create this complex computer network. The decision to deploy the ABM contradicts the recently highly publicized "fly before you buy" policy that was heralded with such fan fare by the Secretary of Defense.

In spite of the serious technical objections surrounding the ABM, the Department of Defense has not been lax in creating new missions and rationales. The latest rationale—the bargaining chip theory, i.e. we need the ABM to force the Soviet Union to negotiate at the SALT talks—assumes that the Soviets will be forced to negotiate by a weapon system that is not operational and which many knowledgeable specialists say will never work. This assumes incredible naivete on the part of the Soviets.

The ABM should remain in research and development. The decision to continue further deployment of the ABM should only be made when the system is operational and in light of the then current strategic balance.

I should also like to comment on the continuing deployment of the land based MIRV missiles. In the past I have opposed the MIRV program on the basis of its severe imbalancing effect on the arms race. I still hold these reservations. It is my continuing hope that a SALT agreement will be reached which will cut back on this system and stabilize the nuclear balance.

I should also note the appropriation for the B-1 bomber. It is quite clear that our arsenal contains aircraft presently operational which would adequately fill the mission intended for the B-1. The F-111 as an example, can carry and deliver strategic weapons with the same penetration ability and speed as that intended for the B-1. There appears to be no need for a follow on to the B-52 at this time.

JEFFERY COHELAN.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1970 AND THE BUDGET
ESTIMATES FOR 1971**

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—FEDERAL FUNDS

[Becomes available automatically under earlier, or "permanent" law without further, or annual, action by the Congress. Thus, these amounts are *not* included in the accompanying bill]

| Agency and item (1) | New budget (obligational) authority, 1970 (2) | Budget estimate of new (obligational) authority, 1971 (3) | Increase (+) or decrease (—) (4) |
|---|---|--|--|
| Department of Defense: | | | |
| Wildlife conservation, etc., military reservations (permanent, indefinite)..... | \$311, 000 | \$351, 000 | + \$40, 000 |
| Total, permanent new budget (obligational) authority, Federal funds..... | 311, 000 | 351, 000 | + 40, 000 |

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1970 AND THE BUDGET
ESTIMATES FOR 1971**

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—TRUST FUNDS

Becomes available automatically under earlier, or "permanent" law without further, or annual, action by the Congress. Thus, these amounts are *not* included in the accompanying bill

| Agency and item (1) | New budget (obligational) authority, 1970 (2) | Budget estimate of new (obligational) authority, 1971 (3) | Increase (+) or decrease (-) (4) |
|---|---|--|--|
| Department of Defense: | | | |
| Department of the Army----- | \$50, 000 | \$50, 000 | ----- |
| Department of the Navy----- | 7, 339, 000 | 7, 339, 000 | ----- |
| Department of the Air Force general gift fund----- | 5, 000 | 5, 000 | ----- |
| Total, permanent new budget (obligational) authority, trust funds.. | 7, 394, 000 | 7, 394, 000 | ----- |

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1970 AND BUDGET ESTIMATES
AND AMOUNTS RECOMMENDED IN THE BILL FOR 1971**

TITLE I—MILITARY PERSONNEL

[Note—All amounts are in the form of "appropriations" unless otherwise indicated.]

| Item | New budget (obligational) authority, fiscal year 1970 | Budget estimates of new (obligational) authority, fiscal year 1971 | New budget (obligational) authority recommended in the bill | Bill compared with— | |
|---------------------------------------|---|--|---|---|--|
| | | | | New budget (obligational) authority, fiscal year 1970 | Budget estimates of new (obligational) authority, fiscal year 1971 |
| (1) | (2) | (3) | (4) | (5) | (6) |
| Military personnel, Army----- | \$8, 875, 391, 000 | \$7, 923, 700, 000 | \$7, 822, 450, 000 | —\$1, 052, 941, 000 | —\$101, 250, 000 |
| Military personnel, Navy----- | 4, 858, 531, 000 | 4, 402, 300, 000 | 4, 360, 100, 000 | —498, 431, 000 | —42, 200, 000 |
| Military personnel, Marine Corps----- | 1, 649, 952, 000 | 1, 494, 200, 000 | 1, 422, 700, 000 | —227, 252, 000 | —71, 500, 000 |
| Military personnel, Air Force--- | 6, 498, 189, 000 | 6, 096, 000, 000 | 5, 973, 350, 000 | —524, 839, 000 | —122, 650, 000 |
| Reserve personnel, Army----- | 338, 725, 000 | 336, 500, 000 | 334, 750, 000 | —3, 975, 000 | —1, 750, 000 |
| Reserve personnel, Navy----- | 141, 935, 000 | 144, 200, 000 | 142, 100, 000 | +165, 000 | —2, 100, 000 |
| Reserve personnel, Marine Corps----- | 49, 000, 000 | 54, 100, 000 | 52, 050, 000 | +3, 050, 000 | —2, 050, 000 |
| Reserve personnel, Air Force--- | 82, 092, 922 | 86, 200, 000 | 86, 200, 000 | +4, 107, 078 | ----- |

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**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1970 AND BUDGET ESTIMATES
AND AMOUNTS RECOMMENDED IN THE BILL FOR 1971—Continued**

TITLE I—MILITARY PERSONNEL—Continued

[Note—All amounts are in the form of "appropriations" unless otherwise indicated.]

| Item (1) | New budget (obligational) authority, fiscal year 1970 (2) | Budget estimates of new (obligational) authority, fiscal year 1971 (3) | New budget (obligational) authority recommended in the bill (4) | Bill compared with— | |
|--|--|---|--|--|---|
| | | | | New budget (obligational) authority, fiscal year 1970 (5) | Budget estimates of new (obligational) authority, fiscal year 1971 (6) |
| National Guard personnel, Army----- | \$403, 403, 895 | \$387, 100, 000 | \$387, 100, 000 | —\$16, 303, 895 | ----- |
| National Guard personnel, Air Force----- | 110, 694, 676 | 108, 500, 000 | 108, 500, 000 | —2, 194, 676 | ----- |
| Total, title I—Military personnel----- | 23, 007, 914, 493 | 21, 032, 800, 000 | 20, 689, 300, 000 | —2, 318, 614, 493 | —\$343, 500, 000 |

TITLE II—RETIRED MILITARY PERSONNEL

| | | | | | |
|---------------------------|--------------------|--------------------|--------------------|------------------|-------|
| Retired pay, Defense----- | \$2, 859, 000, 000 | \$3, 194, 000, 000 | \$3, 194, 000, 000 | +\$335, 000, 000 | ----- |
|---------------------------|--------------------|--------------------|--------------------|------------------|-------|

TITLE III—OPERATION AND MAINTENANCE

| | | | | | |
|--------------------------------------|--------------------|--------------------|--------------------|---------------------|------------------|
| Operation and maintenance, Army----- | \$7, 467, 751, 079 | \$6, 332, 000, 000 | \$6, 219, 011, 000 | —\$1, 248, 740, 079 | —\$112, 989, 000 |
|--------------------------------------|--------------------|--------------------|--------------------|---------------------|------------------|

| | | | | | |
|---|-------------------|-------------------|-------------------|--------------------|-----------------|
| Operation and maintenance, Navy----- | 5, 242, 824, 000 | 4, 804, 000, 000 | 4, 681, 910, 000 | - 560, 914, 000 | - 122, 090, 000 |
| Operation and maintenance, Marine Corps----- | 428, 458, 120 | 356, 600, 000 | 399, 943, 000 | - 28, 515, 120 | + 43, 343, 000 |
| Operation and maintenance, Air Force----- | 6, 530, 100, 000 | 6, 176, 500, 000 | 6, 117, 136, 000 | - 412, 964, 000 | - 59, 364, 000 |
| Operation and maintenance, Defense Agencies----- | 1, 160, 866, 907 | 1, 162, 100, 000 | 1, 125, 750, 000 | - 35, 116, 907 | - 36, 350, 000 |
| Operation and maintenance, Army National Guard----- | 315, 003, 601 | 287, 400, 000 | 287, 400, 000 | - 27, 603, 601 | ----- |
| Operation and maintenance, Air National Guard----- | 345, 201, 780 | 343, 600, 000 | 337, 600, 000 | - 7, 601, 780 | - 6, 000, 000 |
| National Board for the Pro- motion of Rifle Practice, Army----- | 54, 008 | 65, 000 | 100, 000 | + 45, 992 | + 35, 000 |
| Claims, Defense----- | 39, 000, 000 | 39, 000, 000 | 39, 000, 000 | ----- | ----- |
| Contingencies, Defense----- | 5, 000, 000 | 10, 000, 000 | 5, 000, 000 | ----- | - 5, 000, 000 |
| Court of Military Appeals, Defense----- | 736, 000 | 780, 000 | 780, 000 | + 44, 000 | ----- |
| Total, title III— Operation and maintenance-- | 21, 534, 995, 495 | 19, 512, 045, 000 | 19, 213, 630, 000 | - 2, 321, 365, 495 | - 298, 415, 000 |

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1970 AND BUDGET ESTIMATES
AND AMOUNTS RECOMMENDED IN THE BILL FOR 1971—Continued**

TITLE IV—PROCUREMENT

[Note—All amounts are in the form of "appropriations" unless otherwise indicated.]

| Item (1) | New budget (obligational) authority, fiscal year 1970 (2) | Budget estimates of new (obligational) authority, fiscal year 1971 (3) | New budget (obligational) authority recommended in the bill (4) | Bill compared with— | |
|---|---|--|--|---|--|
| | | | | New budget (obligational) authority, fiscal year 1970 (5) | Budget estimates of new (obligational) authority, fiscal year 1971 (6) |
| Procurement of equipment and missiles, Army----- | \$4, 259, 329, 911 | \$3, 251, 000, 000 | \$2, 933, 100, 000 | -\$1, 326, 229, 911 | -\$317, 900, 000 |
| Transfer from stock funds-- | (50, 000, 000) | ----- | ----- | (- 50, 000, 000) | ----- |
| Proposed for rescission (prior year balances)----- | ----- | - 25, 000, 000 | ----- | ----- | + 25, 000, 000 |
| Budget authority----- | 4, 259, 329, 911 | 3, 226, 000, 000 | 2, 933, 100, 000 | - 1, 326, 229, 911 | - 292, 900, 000 |
| Procurement of aircraft and missiles, Navy----- | 2, 621, 705, 547 | 3, 470, 700, 000 | 3, 005, 800, 000 | + 384, 094, 453 | - 464, 900, 000 |
| Transfer from stock funds-- | (25, 000, 000) | ----- | ----- | (- 25, 000, 000) | ----- |
| Proposed for rescission (prior year balances)----- | ----- | - 43, 000, 000 | ----- | ----- | + 43, 000, 000 |
| Budget authority----- | 2, 621, 705, 547 | 3, 427, 700, 000 | 3, 005, 800, 000 | + 384, 094, 453 | - 421, 900, 000 |

| | | | | | |
|---|------------------|------------------|------------------|-------------------|-----------------|
| Shipbuilding and conversion, Navy----- | 2, 495, 899, 014 | 2, 728, 900, 000 | 2, 694, 400, 000 | + 198, 500, 986 | - 34, 500, 000 |
| Proposed for rescission (prior year balances)----- | | - 150, 000, 000 | | | + 150, 000, 000 |
| Budget authority----- | 2, 495, 899, 014 | 2, 578, 900, 000 | 2, 694, 400, 000 | + 198, 500, 986 | + 115, 500, 000 |
| Other procurement, Navy----- | 1, 488, 890, 990 | 1, 559, 400, 000 | 1, 443, 400, 000 | - 45, 490, 990 | - 116, 000, 000 |
| Proposed for rescission (prior year balances)----- | | - 18, 000, 000 | | | + 18, 000, 000 |
| Budget authority----- | 1, 488, 890, 990 | 1, 541, 400, 000 | 1, 443, 400, 000 | - 45, 490, 990 | - 98, 000, 000 |
| Procurement, Marine Corps----- | 500, 848, 000 | 208, 000, 000 | 171, 700, 000 | - 329, 148, 000 | - 36, 300, 000 |
| Proposed for rescission (prior year balances)----- | | - 8, 000, 000 | | | + 8, 000, 000 |
| Budget authority----- | 500, 848, 000 | 200, 000, 000 | 171, 700, 000 | - 329, 148, 000 | - 28, 300, 000 |
| Aircraft procurement, Air Force----- | 3, 405, 800, 000 | 3, 374, 300, 000 | 3, 203, 000, 000 | - 202, 800, 000 | - 171, 300, 000 |
| Transfer from stock funds-- | (325, 000, 000) | | | (- 325, 000, 000) | |
| Proposed for rescission (prior year balances)----- | | - 59, 400, 000 | | | + 59, 400, 000 |
| Budget authority----- | 3, 405, 800, 000 | 3, 314, 900, 000 | 3, 203, 000, 000 | - 202, 800, 000 | - 111, 900, 000 |

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1970 AND BUDGET ESTIMATES
AND AMOUNTS RECOMMENDED IN THE BILL FOR 1971—Continued**

TITLE IV—PROCUREMENT—Continued

[Note—All amounts are in the form of "appropriations" unless otherwise indicated.]

| Item (1) | New budget (obligational) authority, fiscal year 1970 (2) | Budget estimates of new (obligational) authority, fiscal year 1971 (3) | New budget (obligational) authority recommended in the bill (4) | Bill compared with— | |
|---|---|--|--|---|--|
| | | | | New budget (obligational) authority, fiscal year 1970 (5) | Budget estimates of new (obligational) authority, fiscal year 1971 (6) |
| Missile procurement, Air Force.. | \$1, 448, 100, 000 | \$1, 544, 600, 000 | \$1, 372, 300, 000 | —\$75, 800, 000 | —\$172, 300, 000 |
| Proposed for rescission (prior year balances)----- | | —14, 000, 000 | | | +14, 000, 000 |
| Budget authority----- | 1, 448, 100, 000 | 1, 530, 600, 000 | 1, 372, 300, 000 | —75, 800, 000 | —158, 300, 000 |
| Other procurement, Air Force.. | 1, 576, 200, 000 | 1, 503, 600, 000 | 1, 381, 200, 000 | —195, 000, 000 | —122, 400, 000 |
| Proposed for rescission (prior year balances)----- | | —14, 000, 000 | | | +14, 000, 000 |
| Budget authority----- | 1, 576, 200, 000 | 1, 489, 600, 000 | 1, 381, 200, 000 | —195, 000, 000 | —108, 400, 000 |
| Procurement, Defense Agencies.. | 61, 600, 000 | 49, 500, 000 | 38, 910, 000 | —22, 690, 000 | —10, 590, 000 |
| Subtotal----- | 17, 858, 373, 462 | 17, 690, 000, 000 | 16, 243, 810, 000 | —1, 614, 563, 462 | —1, 446, 190, 000 |
| Proposed for rescission (prior year balances)----- | | —331, 400, 000 | | | +331, 400, 000 |

| | | | | | |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total, title IV—Procurement----- | 17, 858, 373, 462 | 17, 358, 600, 000 | 16, 243, 810, 000 | -1, 614, 563, 462 | -1, 114, 790, 000 |
| | | | | | |

TITLE V—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

| | | | | | |
|---|--------------------|--------------------|--------------------|----------------|------------------|
| Research, development, test, and evaluation, Army----- | \$1, 608, 282, 908 | \$1, 735, 900, 000 | \$1, 608, 500, 000 | +\$217, 092 | -\$127, 400, 000 |
| Proposed for rescission (prior year balances)----- | | -18, 000, 000 | | | +18, 000, 000 |
| Budget authority----- | 1, 608, 282, 908 | 1, 717, 900, 000 | 1, 608, 500, 000 | +217, 092 | -109, 400, 000 |
| Research, development, test, and evaluation, Navy----- | 2, 203, 660, 000 | 2, 212, 300, 000 | 2, 156, 200, 000 | -47, 460, 000 | -56, 100, 000 |
| Proposed for rescission (prior year balances)----- | | -15, 000, 000 | | | +15, 000, 000 |
| Budget authority----- | 2, 203, 660, 000 | 2, 197, 300, 000 | 2, 156, 200, 000 | -47, 460, 000 | -41, 100, 000 |
| Research, development, test, and evaluation, Air Force----- | 3, 069, 053, 300 | 2, 927, 700, 000 | 2, 701, 100, 000 | -367, 953, 300 | -226, 600, 000 |
| Proposed for rescission (prior year balances)----- | | -18, 000, 000 | | | +18, 000, 000 |
| Budget authority----- | 3, 069, 053, 300 | 2, 909, 700, 000 | 2, 701, 100, 000 | -367, 953, 300 | -208, 600, 000 |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1970 AND BUDGET ESTIMATES
AND AMOUNTS RECOMMENDED IN THE BILL FOR 1971—Continued

TITLE V—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION—Continued

[Note—All amounts are in the form of "appropriations" unless otherwise indicated.]

| Item (1) | New budget (obligational) authority, fiscal year 1970 (2) | Budget estimates of new (obligational) authority, fiscal year 1971 (3) | New budget (obligational) authority recommended in the bill (4) | Bill compared with— | |
|--|---|--|--|---|--|
| | | | | New budget (obligational) authority, fiscal year 1970 (5) | Budget estimates of new (obligational) authority, fiscal year 1971 (6) |
| Research, development, test, and evaluation, Defense agencies----- | \$450, 752, 486 | \$475, 700, 000 | \$438, 900, 000 | —\$11, 852, 486 | —\$36, 800, 000 |
| Proposed for rescission (prior year balances)----- | | — 5, 000, 000 | | | + 5, 000, 000 |
| Budget authority----- | 450, 752, 486 | 470, 700, 000 | 438, 900, 000 | — 11, 852, 486 | — 31, 800, 000 |
| Emergency fund, Defense (Transfer authority)----- | 75, 000, 000 (150, 000, 000) | 50, 000, 000 (150, 000, 000) | 50, 000, 000 (150, 000, 000) | — 25, 000, 000 | |
| Subtotal----- | 7, 406, 748, 694 | 7, 401, 600, 000 | 6, 954, 700, 000 | — 452, 048, 694 | — 446, 900, 000 |

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| | | | | | |
|--|---|--|--|---|----------------------|
| Proposed for rescission (prior year balances)----- | | - 56, 000, 000 | | | + 56, 000, 000 |
| Total, title V—Research, development, test, and evaluation----- (Transfer authority)--- | 7, 406, 748, 694 (150, 000, 000) | 7, 345, 600, 000 (150, 000, 000) | 6, 954, 700, 000 (150, 000, 000) | - 452, 048, 694 | - 390, 900, 000 |
| TITLE VI—COMBAT READINESS, SOUTH VIETNAMESE FORCES, DEFENSE | | | | | |
| Combat readiness, South Vietnamese forces, Defense----- (Transfer authority)--- | | \$300, 000, 000 (150, 000, 000) | \$358, 500, 000 (150, 000, 000) | + \$358, 500, 000 (+ 150, 000, 000) | + \$58, 500, 000 |
| TITLE VII—SPECIAL FOREIGN CURRENCY PROGRAM | | | | | |
| Special foreign currency program----- | | \$2, 621, 000 | \$2, 621, 000 | + \$2, 621, 000 | |
| TITLE VIII—GENERAL PROVISIONS | | | | | |
| (Additional transfer authority, sec. 836)----- | (\$200, 000, 000) | (\$300, 000, 000) | (\$300, 000, 000) | (+ \$100, 000, 000) | |
| Grand total----- (Transfer authority)--- | ¹ \$72, 667, 032, 144 (350, 000, 000) | \$68, 745, 666, 000 (600, 000, 000) | \$66, 656, 561, 000 (600, 000, 000) | - \$6, 010, 471, 144 (+ 250, 000, 000) | - \$2, 089, 105, 000 |

¹ Includes \$760,264,144 allocated from the lump-sum indefinite appropriation in title III, Second Supplemental Appropriation Act, 1970, for the general 6 percent retroactive pay increase.

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